

DEFINING COMMUNITY NEED THROUGH THE LENS OF THE ELITE:  
A HISTORY OF THE INDIANAPOLIS FOUNDATION AND ITS  
FUNDING OF THE INDIANAPOLIS SYMPHONY ORCHESTRA, 1893-1984

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This dissertation is dedicated to my wife, Jodie Hardy, whose love, encouragement,  
support and patience were instrumental in its completion.

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## ABSTRACT

Marc Alan Hardy

### DEFINING COMMUNITY NEED THROUGH THE LENS OF THE ELITE: A HISTORY OF THE INDIANAPOLIS FOUNDATION AND ITS FUNDING OF THE INDIANAPOLIS SYMPHONY ORCHESTRA, 1893-1984

This history investigates the beginnings of community foundations in general and the creation of the Indianapolis Foundation specifically and its eventual funding of the Indianapolis Symphony Orchestra. My findings reveal that, contrary to previous histories that have been written, the creation of community foundations was not driven by benevolence but by changes in federal and state banking laws starting in 1913 that allowed banks to have trust departments that broke the monopoly that trust companies had long enjoyed. In response, trust company executives chartered community trusts to publicly position themselves as benevolent, community-minded businessmen. This distinguished them as trustworthy compared to the greedy bankers of the day, which helped trust companies gain trust customers. Community trusts were responsible for identifying and disbursing funds to deserving beneficiaries, thereby relieving trust companies of a costly and time consuming burden. Even more important, the trust companies retained control over the community trusts by appointing surrogate board members. In addition, none of the trust companies that chartered the Indianapolis Foundation donated their own money, yet appeared charitable. All of these factors made community foundations a very lucrative arrangement.



Funding the areas of arts and culture was not designated in the Indianapolis Foundation's original purpose statement, yet the Indiana State Symphony Society was funded at the height of the Great Depression while many Indianapolis citizens went hungry. The love of music played a very small part in efforts by the wealthy elite to garner support from the Indianapolis Foundation for the Indianapolis Symphony Orchestra. The public justifications for funding the symphony began with giving psychological relief to the citizens of Indianapolis from the pressures of the Great Depression, to the need of employment for musicians, then the importance of musical education of children, expanding to the importance of the symphony to the city's reputation, and finally, in the 1980s, the symphony as a community asset that helped rejuvenate downtown Indianapolis. However, the real reason for funding was that the wealthy elite wanted the symphony to use as a flattering cultural institution that would elevate their social status and attract fellow elites and businesses to Indianapolis.

Kevin C. Robbins, Ph.D., Committee Chair

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## **LIST OF ABBREVIATIONS**

IUPUI	Indiana University-Purdue University Indianapolis
R.L.S.C.A.	Ruth Lilly Special Collections and Archives
IFPA	Indianapolis Foundation Private Archives
ISOPA	Indianapolis Symphony Orchestra Private Archives
ISO	Indianapolis Symphony Orchestra

## Chapter 1: Why Only Trust Companies?

Unlike the wealthy elite of Ancient Greece, several wealthy elite inhabitants of early twentieth-century Indianapolis used the Indianapolis Foundation to engage in a form of pseudo-eurgetism. Eurgetism was an ancient Greek form of philanthropy that was described by Paul Veyne essentially as giving by the wealthy from their own resources to obtain honor and public acclaim.<sup>1</sup> As part of an implicit social contract with the citizenry, great Greek benefactors funded religious festivals, choruses, and dramatic contests. Sometimes they contributed to the point of financial exhaustion, in return for the honor that was bestowed upon them by grateful citizens. These ancient donors did this, in part, to fulfill expectations of what elite city governors must do while in office. The modern wealthy who fill the pages of this dissertation used only other people's money in their attempts to appear munificent in the eyes of the citizenry in Indianapolis. Even more intriguing is the fact that the creators of the Indianapolis Foundation made money serving the needs of the city. Typically, the trustees of the Indianapolis Foundation, most of whom were closely bound to the creators of the organization, funded only projects they deemed acceptable according to the narrow convention and public decorum of the Midwestern upper-middle class, a group dominated by older white, mostly Protestant bankers, lawyers and businessmen.

This historical dissertation began with the desire to find out how and why the Indianapolis Foundation considered the arts a fundable community need, given that support of the arts or culture was not part of its original purpose statement. Early in my

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<sup>1</sup> Paul Veyne, *Bread and Circuses: Historical Sociology and Political Pluralism*, ed. Oswyn Murray (UK: Penguin, 1992).

research, I stumbled upon a puzzling discovery: only trust companies and banks with trust departments were involved in the creation and development of community foundations for the first 50 years of their existence in the United States. This fact led me to an equally intriguing question: why was it that only trust companies created community foundations? Apparently, no community foundations were originally created by lawyers who administered trusts, or by wealthy individuals, or by private foundations, or by banks with trust departments. Why not? What were the circumstances that led to this exclusivity and what were the motivations for the heads of trust companies to create such allegedly benevolent civic institutions? Were their intentions in any way community-oriented and charitable? Or is it more clearly the case that narrow, self-serving, and pro-business motives impelled trust company bankers to create community foundations?

It is important to discover answers to these questions in order fully to understand why the Indianapolis Foundation ventured far outside of its original 1916 mission statement to fund the Indianapolis Symphony Orchestra at the height of the Great Depression in 1933. The foundation trustees did so even though the organization originally eschewed any financial support to arts organizations. My research reveals that the answers to these questions will significantly alter the historically traditional view of the motivations of wealthy trust company bankers for creating community trusts and foundations. Far from reasons of benevolence or community building, the Indianapolis Foundation was formed by three trust companies in Indianapolis for blatantly selfish reasons: improved public relations for the trust business, more privately lucrative marketing of trust services to the wealthy, reduced business expenses in legal fees,

reduced expenses to identify and locate charitable beneficiaries, and increased profit through additional and growing administrative fees.

My research will also show the connections between funding decisions by the Indianapolis Foundation trustees for various programs in the first few years and their later decision to fund the arts. As we will see, that decision had little to do with promoting the aesthetic value of the arts, but very much more to do with enriching the social, political and business relationships among a powerful civic elite in Indianapolis. The “lens of the elite” which I refer to in the title of this dissertation is not limited to only the elite trustees of the Indianapolis Foundation, but also includes the elite who represented the wealthiest businessmen as well as the elite and the “Blue Book” society members who created, supported and advocated on behalf of the Indianapolis Symphony Orchestra.

### **Definition of Terms**

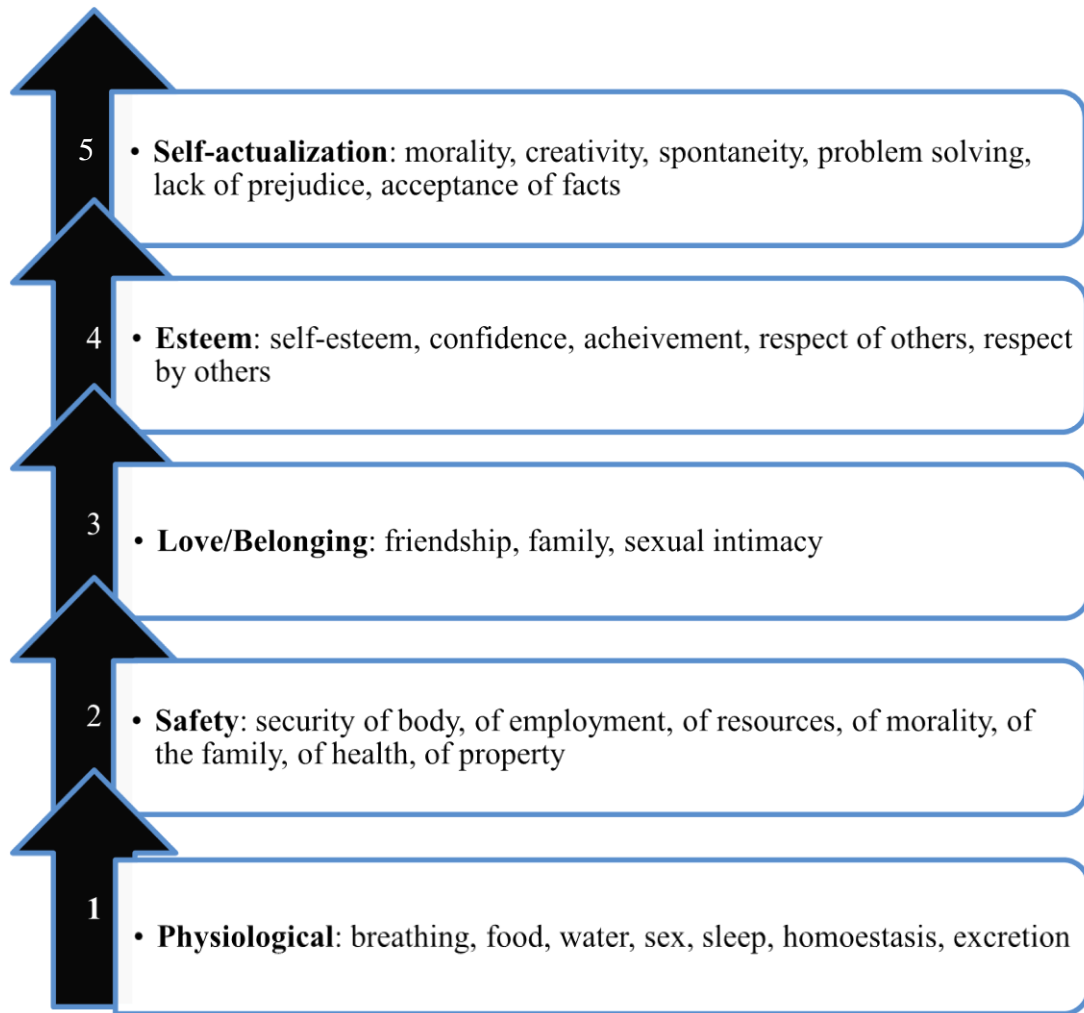
The meaning of the term “community need,” in the context of this dissertation, will be based on Abraham Maslow’s theory of the Hierarchy of Need.<sup>2</sup> Need, whether it be of the individual or the community, can be defined at several different levels. The way we as individuals define what we perceive as need is highly dependent on our understanding of this hierarchy as well as where the needs others, including our community, might be positioned in this hierarchy. The first two basic and foundational levels of this hierarchy are physiological and safety needs. The basic physiological needs include food, water, clothing, shelter, and sleep, while the safety needs include the need for security from physical harm, protection of our employment, of our family, our health and our possessions. Once these needs are met, we can then ascend to the more

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<sup>2</sup> Abraham H. Maslow, *Toward a Psychology of Being* (J. Wiley & Sons, 1999).

sophisticated needs of love and belonging, self-esteem and confidence, and finally self-actualization (Figure 1).

Figure 1: Abraham Maslow's Hierarchy of Need



Source: Abraham H. Maslow, *Toward a Psychology of Being* (J. Wiley & Sons, 1999).

This dissertation attempts to reveal the definition of community need as viewed by the elite of Indianapolis who were closely associated with the Indianapolis Foundation. While much of the Indianapolis citizenry struggled to attain even a minimum of the first two of Maslow's levels, that of physiological and safety needs, the elites of Indianapolis were focused on the top levels of esteem and self-actualization. Even though those on the bottom of the needs hierarchy were struggling for survival and experienced little of the higher needs of self-actualization and esteem in their lives, the wealthy elite

consistently ignored these more basic, foundational needs and persisted in insisting that high culture and charitable organizations that were acceptable to the those in their upper social circle were what the community most needed.

The terms charity, philanthropy and benevolence are used interchangeably here because their definitions are also fluid in our society. The fact that the nonprofit sector does not like to be defined as the “nonprofit sector,” but cannot agree on other descriptions such as “philanthropic sector,” “charitable sector,” “civic sector,” and so on shows that even within the nonprofit world there is no agreement on definitions. As my research will show, this was also true 100 years ago, as organizations and individuals changed their definitions of what it meant to be charitable, philanthropic or benevolent. For this dissertation, the terms benevolence, charity and philanthropy will be defined as the donation of time, talent, money or material goods for the greater good of society without the consideration of or potential for personal gain. However, it is the definitions of these terms as demonstrated through the actions of the elite that are of most interest to this research. My research will show that while the elite used varied justifications to claim benevolence and charity toward the community, their efforts were usually, first and foremost, self-serving.

## **Other Histories of Community Foundations**

After reading the limited secondary literature on the creation and history of community foundations, I found that the important questions posed here have never been asked before. The few histories previously published about community trusts and foundations have been created and printed by those same organizations, frequently to enhance their own reputation. Some prior histories have also come from corporate groups with a vested interest in the success of such foundations. Such works can hardly be expected to give unvarnished accounts of the real motives impelling trust bankers to create community foundations. As a result, these accounts often outline only the original official charters and lack any critical historical context and evaluation of the foundation or its creation. Usually, these in-house histories extol the selflessness, even the nobility, of the foundation's creators. Such incomplete and inherently untrustworthy "histories" uniformly assert the many benefits "benevolent" community trusts bring to the local population.

An early booklet on the creation of the Chicago Community Trust was published by the Harris Trust and Savings Bank in 1915. This document is little more than a publicity tool to impress the public and drum up new business for the bank. It even has a page providing the wording of a bequest that a reader might employ for posthumous donations to the Harris Bank for eventual use by the community trust.<sup>3</sup> An early history of the Chicago Community Trust was published internally by the trust and written by its former secretary, Frank Loomis. This is really nothing more than a glowing report on all of its accomplishments, void of any critique of the community trust or the motives of its

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<sup>3</sup> The Harris Trust and Savings Bank, *The Chicago Community Trust: a Fund for Local Charity* (Chicago: The Harris Trust and Savings Bank, 1915) The University of Chicago Library.



trustees.<sup>4</sup> As discussed later in my research, a more scathing and insightful assessment of community foundations by Loomis would be written after his retirement.

In 1931, the Vermont Commission on Country Life distributed its own sixteen-page booklet about the Vermont Foundation. Readers got the message that “Persons interested in the welfare of Vermont, its people or any of its communities, may now utilize this philanthropic enterprise.”<sup>5</sup> This booklet not only laid out the charter and bylaws of the foundation, but like the booklet by Harris Bank, it also suggested wording for one’s bequest to the organization under the heading “Phraseology Employed in Wills Using the Vermont Foundation.”<sup>6</sup>

Modern scholars have been slow to scrutinize in detail the creation of American community foundations. In 1981, Peter Dobkin Hall published a working paper titled The Community Foundation and the Foundations of Community. The title is misleading, because it covers only the history of the creation of the Trexler Foundation in Allentown, Pennsylvania from 1830 through the 1960s. What Trexler created was not a community foundation, which is by definition a *public* charity, but rather a private foundation whose founder was committed to serving his local community. This is not unlike many other private foundations which limit their giving to specific geographic locations, often to only the city or county in which the foundation resides.

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<sup>4</sup> Frank Denman Loomis, *The Chicago Community Trust: a History of Its Development, 1915-1962* (Chicago: The Chicago Community Trust, 1962).

<sup>5</sup> *The Vermont Foundation: A State-wide Community Trust* (Burlington: Vermont Commission on Country Life, 1931) Booklet Middlebury College Library, 3.

<sup>6</sup> *The Vermont Foundation: A State-wide Community Trust*, 16.

David Hammack's chapter "Community Foundations: The Delicate Question of Purpose," helps explain the creation and original purpose of community foundations.<sup>7</sup> This is a broad yet brief history of the role of trust companies in the formation of community foundations. It gives a very general history of community foundations through 1987, and is simply a survey based on financial records and internally generated reports of community foundations. It provides little detail about the motivations of trust company officers or the decision making process of the trustees of community foundations over time.

Yet there are two points Hammack makes that my research directly questions and contradicts. Hammack first contends that the trust companies were benevolent and run by officers who had the needs of the community in mind. Second, Hammack asserts that the trustees or distribution committees consisted of people chosen for their knowledge of the needs of the community, "not for their leadership in any particular religious group or profession or for their acceptability to previous members of the committee."<sup>8</sup> In fact, these trustees were entirely white, wealthy, and comparatively isolated fixtures of the community's elite. Although many of these trustees served on boards of social service and welfare agencies and associations, they themselves often admitted their own ignorance as to what the community's needs really were. They usually had to commission surveys so that they could find out just exactly what those community "needs" might be. To compound this inbred ignorance of real community need, many trustees passed their seats on to immediate family members, particularly from father to son. This was

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<sup>7</sup> David C. Hammack, "Community Foundations: the Delicate Question of Purpose," in *An Agile Servant: Community Leadership by Community Foundations*, ed. Richard Magat (Washington, DC: Foundation Center, 1989).

<sup>8</sup> Hammack, "Community Foundations: the Delicate Question of Purpose," 24.

acceptable because of the public's deference to the supposed philanthropic wisdom of those who had done well in business or had become icons in the religious congregations of the community. Very few community foundation trustees ever came from the ranks of those who were actually engaged in front lines of social services or those who directly served the needs of the community such as physicians, public health specialists, or community organizers at the grass-roots level.

While there are few publications that focus on the early history of community foundations, there are even fewer on the early history of funding of the arts by community foundations. The scant studies of community foundation arts funding are focused mostly on the oldest community foundation, the Cleveland Foundation. There is an excellent article on the history of arts funding by the Cleveland Community Foundation titled "Cleveland: Arts Renaissance," by Bill Doll in An Agile Servant. Unfortunately, it only chronicles in a general way the funding of the arts starting in 1975 after the arrival of a new executive director, Homer Wadsworth. It does not cover arts funding before that time except to say it was fairly insignificant and that many people were opposed to expanding the funding to other arts organizations. One of these dissenters was the head of the Cleveland Orchestra's trustees who "feared that new groups would drain off potential support for the orchestra, which was facing a \$1 million deficit."<sup>9</sup> As repeatedly revealed in the chapters that follow covering the relationship between the Indianapolis Symphony Orchestra and the Indianapolis Foundation, these large annual deficits constantly plagued symphonies across the United States, no matter how much money they raised.

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<sup>9</sup> Bill Doll, "Cleveland: Arts Renaissance," in *An Agile Servant: Community Leadership by Community Foundations*, ed. Richard Magat (Washington, DC: Foundation Center, 1989), 254.

Rebuilding Cleveland, by Diana Tittle (1992), is one of the very few recent studies to address community foundations and arts funding. This resource cites the decision of the Cleveland Foundation to rebuild the downtown arts district in the mid 1980's. Like Doll's chapter, this book does not cover arts funding before 1980. It also jumps around in subject matter and chronology as well, making it difficult to use as a comparison for my own research.

Another book on the history of the pioneering Cleveland Foundation, A Trust for All Time, by Nathaniel Howard (1963), was commissioned and published by the Cleveland Foundation itself, making it inherently suspect of distortion about the real impetus behind the organization's founding and the funding motivations of its earliest officers. This 50-year history is not reliable as an independent scholarly source since its author, a retired editor of the *Cleveland News*, was paid by the foundation to write it. He makes only a passing comment about arts funding by stating that arts and cultural organizations have received funding over time from the foundation. In 1989, there appeared a short pamphlet titled "The Cleveland Foundation at Seventy-Five." Its author, Richard Pogue, was at the time chairman of the Cleveland Foundation. This short piece only briefly discusses the Playhouse Square Development Committee and its investment in downtown Cleveland, and was of no contributing value to my study.

There are still a few resources that deal with contemporary arts funding by community foundations, one of which is Community Foundations at 75 (1989), edited by Eugene Scanlan for the Council on Foundations. This has useful arts funding comparisons for 1975, 1984 and 1987, but has no historical perspective on modern funding trends.

Returning again to the research of Peter Dobkin Hall, I use his writings to reintroduce the main thrust of this chapter. Hall states that part of the reason for the creation of community foundations or trusts was that in the early 1900s, community leaders “were historically rooted in the intimacy of the small-town and village.”<sup>10</sup> He also points out that two-thirds of the twenty-six community foundations that were established from 1914 to 1924 were created in the Midwest, while only one-third was from the Northeast. Hall’s explanation for the difference pointed toward two different kinds of community “elites.” In the Midwest, elites were more trusting of the “public to use community charitable resources intelligently” than were the elites of the Northeast. He cites examples of this trust in the large number of public versus private universities as well as Community Chests (the forerunner to the United Way) in the Midwestern states compared to the Northeast.<sup>11</sup>

While these explanations seem credible, they are also incomplete and do not answer the questions I posed at the opening of this chapter. In order to understand more fully the reasons for the establishment of community foundations, we first need to investigate the rise and history of for-profit trust companies in the United States in general and in Indiana in particular. The outcome of this investigation will reveal that, either through premeditation or coincidence, trust companies benefitted greatly from community foundations. The intentions of the principal officers of the trust companies were not wholly munificent in pioneering these new forms of ostensible charitable action for community benefit. However, it will also become evident that the three men who

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<sup>10</sup> Peter Dobkin Hall, “The Community Foundation in America, 1914-1918,” in *Philanthropic Giving: Studies in Varieties and Goals*, ed. Richard Magat (New York: Oxford University Press, 1989), 183.

<sup>11</sup> Hall, “The Community Foundation in America, 1914-1918,” 188.

created the Indianapolis Foundation were avid arts supporters and viewed the arts as important to the community.

The beginning of the community foundation movement came in 1914 with the creation of the Cleveland Foundation. Judge Frederick Goff, President of the Cleveland Trust Company, became instrumental in the creation of the Cleveland Foundation. His pioneering venture into community benevolence has been touted as a great philanthropic advance that has benefitted many local communities. As one former secretary of the Chicago Community Trust claimed:

Mr. Goff, great banker and promoter as he was, must have been attracted to, interested in, and fascinated by the possibility of the modern foundation in American life, foundations devoted to noble purposes and having power within their own structure to modify or change their purpose to meet changing conditions and needs. He must have sensed the possibilities for public service by the banks of America in the larger cities, promoting the welfare of their communities and thus of America at large and indeed of the whole world.<sup>12</sup>

This passage is representative of the noble stories written about men of finance and commerce who were hailed as unselfishly laboring for the good of the community when they could have easily ignored its needs. However, these tributes are incomplete half-truths at best that ignore the vested, self-interested motives of trust company bankers in creating community foundations. True, it would make sense that a group of concerned and charitably minded citizens, some of considerable means, would be motivated to form an organization that could put a deceased local person's potent wealth to good use long after his or her death. It would make sense that a wealthy person, who is approaching his or her senior years, would think long-term about the health and welfare of a community

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<sup>12</sup> Frank Denman Loomis, *The Chicago Community Trust: A History of its Development 1915-1962* (Chicago: The Cleveland Community Trust, 1962), 3.

that helped create his or her own wealth. It would certainly be plausible that a major philanthropist, such as a Rockefeller, Carnegie or Ford, would understand the value of an institution that could pool the resources of smaller donors into one large fund that would be administered by a board of trustees, and would initiate such an organization. Yet in the case of community foundations, none of that occurred.

The facts are that early community foundations were chartered by trust companies, and usually by only one. Many had close relationships with, or were owned by, banks, those agents of capitalism lucratively lending money to business and industry. In fact, American banks of the late 1800s and early 1900s were more financial instruments of the railroad, coal, steel and oil cartels than they were resources for the common man, and rarely were they devoted to benevolent community development. Banks, like Indiana National Bank, were primarily commercial banks that lent money only to businesses and were places where businesses deposited their profits. Loans to individuals for cars and mortgages were essentially nonexistent, except to businesses and a few wealthy customers.<sup>13</sup> It was thought by some at this time that the U.S. banking system was “the worst in the world,” and certainly not on par with other world banking systems.<sup>14</sup> American financial “trusts” of the time more often engendered deep public suspicion and criticism, especially in the mass-circulation daily papers and in the seething cartoons they published. One scholar of these events notes:

National banks themselves, along with larger state banks and trust companies, were combining trusts and trust like arrangements of various kinds. [...] Financial institutions might combine tightly in

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<sup>13</sup> Linda Weintraut, *Pioneers in Banking: A History of the Indiana National Bank* (Indianapolis: NBD Bank, N.A., 1994), 45, 73.

<sup>14</sup> Murray N. Rothbard, *A History of Money and Banking in the United States: The Colonial Era to World War II* (Auburn, Alabama: Ludwig von Mises Institute, 2002).

true corporate mergers; one financial institution might control all the stock of others; a small group of stockholders might own large blocks of the stock of various institutions; or “interlocking directorates,” in which a small group of people appoint one another to the boards of directors of several institutions, might be formed. The suspicion grew that a small number of huge financial combinations controlled the allocation of credit in the United States, that is, that a giant “money trust” had emerged and operated from Wall Street.<sup>15</sup>

The first community foundations were chartered by only one trust company exclusively, but the Indianapolis Foundation broke ground as the first to be chartered by multiple trust companies. By 1931, only seventeen years after the establishment of the Cleveland Foundation, seventy-four community foundations had been created in the U.S., all by trust companies or banks with trust departments. Of those, half were created by only one bank while the other half were created by multiple banks.<sup>16</sup> Sometimes the banks chose the trustees of the foundation, sometimes they supposedly allowed judges and politicians to appoint the trustees. In truth, the vast majority of the trustees were handpicked by the trust companies and their appointments given rubber-stamped approval by such political and legal dignitaries as a façade of impartiality. As my research will show, this explosion of community trusts had little to do with benevolence and everything to do with rapidly changing state and federal banking laws, starting in 1913 in Ohio.

It was against this backdrop that Frederick Goff developed a way to insure that the beneficent objective of a trust would never become obsolete. Obsolescence was

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<sup>15</sup> Susan Hoffman, *Politics and Banking: Ideas, Public Policy, and the Creation of Financial Institutions* (Baltimore, The Johns Hopkins University Press, 2001), 112-113.

<sup>16</sup> *Community Foundations in the United States and Canada, 1914-1961* (New York: National Council on Community Foundations, 1961).



touted as a big problem among those who administered trusts and charitable endowments. Bankers claimed that a good de

al of money was simply laying idle, and had become part of the “Dead Hand” of untouchable funds that could not be administered or disbursed because the purpose or recipient of the trusts no longer existed. Due to this inactivity, administrative and service fees could not be charged on the moribund accounts to the financial detriment of the trust companies. The issue of the wretched “Dead Hand” had its roots in England where, at the beginning of the 1900s, it was estimated that more than 40,000 fixed purpose, “Dead Hand” trusts had been created during the previous two centuries.<sup>17</sup> It was widely suspected that these encumbered monies served no real public benefit and had become detrimental to the national and local economy, starving the country of productive investments. One commentator noted:

Practically none of them accomplished for any considerable time the objects the donors had in mind, and a large number became useless or positively harmful in their effects, necessitating action by Parliament in many cases, under the *cy pres* doctrine, to divert the funds to useful charitable purposes.<sup>18</sup>

Some of the outdated purposes of these trusts included the funding to redeem captives from pirates, to support leprosy hospitals, and to aid those in debtor’s prison. Each cause had become hopelessly obsolete. In addition, some trusts had been created to enhance the donor’s vain claims to fame, or reflected his or her own vindictiveness or even insanity, especially by requiring trustees or beneficiaries to perform eccentric or humiliating acts. For example, one English trust specified that a church annually sing an

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<sup>17</sup> Clay Herrick, *Trust Departments in Banks and Trust Companies*, First ed. (New York: McGraw-Hill Book Company, Inc., 1925), 285.

<sup>18</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 285.

anthem that was written by a donor's relative, and yet another required that a certain group of poor people should be given a grey suit once a year. One even required that a specific group of poor women be given green waistcoats every December.<sup>19</sup> It was this history of short sighted or misdirected philanthropy, so debilitating to the Mother country (England), that trust companies publically blamed as being an alarming plague that could spread to the U.S. To combat this threat to a productive economy, trust companies offered the antidote of the actively administered and changeable community trust.

If burdened with a "Dead Hand" fund, trust companies at the time had only two choices: either do nothing or go to court and attempt to invoke the *cy pres* doctrine to change the focus of the income from the trust.<sup>20</sup> To distribute the old encumbered funds to a better or more pressing cause than that specified in the will of the deceased would have been illegal without intervention of the courts. Frederick Goff claimed that these new community foundations had the potential to offer "some degree of relief from the withering, paralyzing blight of the Dead Hand, through the years when no intellect remains to apply reason and sympathy and discretion to the terms of antiquated fiats."<sup>21</sup> Note how the trust officers flatter themselves here as actors simultaneously intelligent, compassionate, and discrete. The reality of the self-dealing and social ignorance among community foundation trustees, as revealed in this dissertation, flatly contradicts Goff's statement above.

Although these assertions appear noble on the part of banks, they do not seem to make sense in light of their avowed purpose to excel as profitable businesses. Banks and

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<sup>19</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 287.

<sup>20</sup> *Community Foundations in the United States and Canada, 1914-1961*.

<sup>21</sup> *Community Foundations in the United States and Canada, 1914-1961*, 5.

trust companies existed to make money for their clients and themselves, and always at a decent rate of return. Although these “Dead Hand” trusts could not be administered, trust companies could still profit modestly and steadily from the interest that accumulated on these trusts. Banks also became commonly known more for their financing of big money projects than for their knowledge or support of charitable concerns in the community. Why, then, would they be so concerned with creating a foundation that was dedicated to giving the money in their clients’ trusts away? One highly motivating reason is that creating a community foundation was profitable for the trust companies to create community foundations.

Studying the histories that have been written about community foundations, no one has asked some of these fundamental questions regarding the initial motivations behind this movement, one of the central questions being: what was in it for the trust companies? Most have cited the trust companies’ contempt for the number of “Dead Hand” trusts that were collecting both interest and dust. If they were truly concerned about the loss of community benefit from these impotent trusts they could have used their own financial resources to hire lawyers, break the old trusts via the *cy pres* doctrine, and unleash these funds for the common good. They could have developed departments in their companies dedicated to ensuring that these funds be put to effective use in current charitable needs or causes. However, both solutions would have increased expenses for legal services and specialized personnel, indicating a simple but overlooked reason for trust companies to champion the creation of an instrument such as a community trust or foundation that could substantially reduce the number of obsolete trusts: to reduce expenses and make more money. But how?

## **A Brief History of Trust and Banking Law in the Nineteenth and early Twentieth Centuries**

The answer to that question is rooted in the history of trusts and the laws that govern them. Trust law has a long evolution starting in England in the sixteenth century. One use of trusts was to pass on land and wealth to wives and daughters, since women could not own land. If a father wanted to protect his daughter from dependency on a husband, he would set up a trust for her own use. These trusts were often challenged by creditors to whom the husband or father owed money and, in some cases, the women were left with nothing after the claims were settled. The law was eventually changed to protect the integrity of the trust and the wealth and property that had been placed in trust for the beneficiaries' use.<sup>22</sup> Up until the late 1800s, trusts had been primarily managed by well-respected individuals, especially lawyers. However, the creation of the trust company would change much of that tradition. The rise of trust companies is best understood by looking briefly at the evolution of banking in the United States.

The first bank in the United States was the Bank of North America and its charter was approved by the Continental Congress in 1781. Although several banks that were established early on would be later converted to trust companies, the first trust company on record to be established was on March 10, 1812 in Pennsylvania. This institution was named The Pennsylvania Company for Insurances on Lives and Granting Annuities.

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<sup>22</sup> Alexander, George S., "The Transformation of Trusts as a Legal Category, 1800-1914," *Law and History Review* 5, no. 2 (1987), 305-350.

Although trust powers were not immediately given to it, it was one of the first institutions to become a trust company.<sup>23</sup>

New York, however, was the birthplace of the first bona fide trust company in the country. Chartered in 1822, it was titled the Farmers Fire Insurance and Loan Company and was the first corporation to have the power to execute trusts.<sup>24</sup> Although the company already had the right to administer trusts, it did not use the word “trust” in its name, perhaps to avoid a political battle. It seems that when a group of prominent businessmen sought to charter the New York Life Insurance and Trust Company, the first to use “trust” in its name, it caused a political firestorm “involving the pros and cons of so unusual an enterprise.”<sup>25</sup> It was eventually approved for a New York State charter in 1830.

The growth of trust companies from the late 1800s onward was explosive, mostly because the regulations controlling trust companies in some states, such as Indiana, were much more lax than those for state or national banks. Nationally, trust companies grew from 34 in 1882 to 1,079 in 1909, a 3,000 % increase in only 17 years. This was especially true in the New England states, New York, Pennsylvania, and Indiana. This is evidence not only of the immense profitability of trust companies, but of the fierce competition among bankers for the trust business of the wealthy. Using the credibility of a community foundation to gain the edge over other trust companies would certainly have made good business sense while also increasing the prestige and favorable publicity of the trust company or companies that created such community foundations.

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<sup>23</sup> Edward Ten Broeck Perine, *The Story of the Trust Companies* (New York: G. P. Putnam's Sons, The Knickerbocker Press, 1916), 1-2.

<sup>24</sup> Perine, *The Story of the Trust Companies*, 11.

<sup>25</sup> Perine, *The Story of the Trust Companies*, 21.

This could also be the reason why in the beginning only single trust companies founded community foundations. Even later, when multiple trust companies were involved, it was usually only a few. It would seem that if trust companies truly wanted to see the “Dead Hand” done away with and the power of these funds unleashed to solve the problems of their communities, then all trust companies would have been invited to take part. However, that did not happen. A huge incentive for such exclusivity was for trust companies to set themselves apart from the competition, because such companies were believed by many to be so in name only, operating as thinly veiled state banks.<sup>26</sup> After the depression of the 1930s decimated many financial institutions, most of the banking and trust company laws dating from 1873 forward were repealed, with new laws written in 1933.<sup>27</sup>

In 1894, the trust company that led the way in creating community foundations, the Cleveland Trust Company, became chartered. During its first two decades, it bought out or consolidated with several banks and trust companies and by 1916 its assets totaled above \$49,000,000, approximately \$846,000,000 in 2004 Constant Dollars (CD), and it employed more than 400 people.<sup>28</sup> In 1908, Frederick Goff became its president and he was widely credited for much of the growth of the company. The Cleveland Trust Company innovated new ways to create profit by expanding to branches, creating the first women’s banking department in Cleveland, and being the first to adopt advertising as its

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<sup>26</sup> George E. Barnett, “The Growth of State Banks and Trust Companies,” *Annals of the American Academy of Political and Social Science* 36, no. 3 (1910), 135-147.

<sup>27</sup> Harrison Burns, *Annotated Indiana Statutes 1933 Containing All Acts of a General and Public Nature in Force September 1, 1933*, ed. Harrison Burns and Benjamin F. Watson, 12 vols., vol. 5 (Indianapolis: The Bobbs-Merrill Company, 1933).

<sup>28</sup> For current constant dollar (CD) calculations see: The Consumer Price Index (CPI) Conversion Factors Table, ed. Robert C. Sahr, in the Political Science Department, Oregon State University, [http://oregonstate.edu/dept/pol\\_sci/fac/sahr/sahr.htm](http://oregonstate.edu/dept/pol_sci/fac/sahr/sahr.htm) [accessed 2005]

primary marketing tool. This last point is important to the understanding of the Cleveland Trust's belief in the profitable power of advertising, marketing and public relations, all three of which would be well served by the establishment of a community foundation. It was also one of the first trust companies to champion the establishment of the "living trust," which could be written and legally take effect during the donor's lifetime versus a testament that took effect after the donor's death. This enabled the wealthy to set up charitable trusts while they were still alive and able to exert some control over their disbursements. The Cleveland Trust Company created the Cleveland Foundation in 1914, an act that inspired other trust companies to establish community foundations in at least 13 other cities within a few short years, Indianapolis being one of first.<sup>29</sup>

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<sup>29</sup> Perine, *The Story of the Trust Companies*, 205-208.

## **Chapter 2: The Role of Trust Companies in the Creation of Community Foundations**

The early banking business in Indiana has a spotty history that includes frequent failures, mismanagement and embezzlement, especially between 1814-1834. The first state chartered bank in Indianapolis was the State Bank of Indiana in 1834. One of its first directors was Calvin Fletcher, whose brother, Stoughton A. Fletcher, started the first private bank in Indiana, the Fletcher-American National Bank in 1839. Stoughton's grandson, Stoughton A. Fletcher II, played a prominent role in the Fletcher Trust and Savings Company which helped start the Indianapolis Foundation through the efforts of its vice-president and counsel, Evans Woollen. Another person who figured prominently in the early years of the community foundation was William E. English.<sup>1</sup> Upon his death in 1932, he donated the English Opera House and Hotel, which had been built on Monument Circle by his father, Indianapolis banker William H. English, to the Indianapolis Foundation. That property was sold, and the proceeds were used to establish the English Foundation in the 1950s which built the building at 615 North Alabama Street where the Indianapolis Foundation currently resides.

The Indiana National Bank was established in 1865 and had as one of its first board members John H. Holliday. Holliday was a historian and newspaper man, and as such understood the power of both marketing and public relations. That same year the Merchants National Bank of Indianapolis was established and was run for the most part by officers and a board of directors dominated the Frenzel family: O. N. Frenzel,

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<sup>1</sup> Max R. Hyman, "A Bit of Banking History," *Indiana, Past and Present*, April 1914, I.U. Bloomington, Wells Library, 16-17.



president; J. P. Frenzel, first vice-president; O. F. Frenzel, cashier; and J. P. Frenzel, Jr., junior cashier. Both John H. Holliday and J. P. Frenzel played pivotal roles in the creation of Indiana trust companies and the Indianapolis Foundation.<sup>2</sup>

Trust companies in Indiana were not created until 1893, several years after banks were born. As a result, in the early 1900s the management of personal trusts by trust companies was a fairly new business and was regulated by a separate set of state laws. It's significant that John H. Holliday and John P. Frenzel, who headed two of the three trust companies that started the Indianapolis Foundation, were also part of a group who lobbied the Indiana General Assembly in 1893 to pass the Trust Act. They did this primarily for business opportunity and potential profit, not concern for the community. Frenzel was first vice-president of Merchants National Bank and Holliday was a board director of Indiana National Bank. As Weintraut and Nolan state:

Trust companies engaged in a much wider range of activities than did banks, including the administration of trusts, the handling of safe deposit boxes, and the establishment of travel departments. Shortly thereafter, Holliday formed the Union Trust Company. Union Trust and Indiana National Bank worked closely for the next fifty years until they formalized their relationship with a merger in the twentieth century.<sup>3</sup>

The introduction of the idea of trust companies was not at first embraced by many in the Indiana House of Representatives. First, the legislature by its nature was rife with lawyers whose profession administered most of the personal trusts of the wealthy at that time. Approval of trust companies would encroach on the profitability of the legal profession, and, as we will see, some lawyers had a very low regard for trust companies

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<sup>2</sup> Hyman, "A Bit of Banking History," 18-19.

<sup>3</sup> Weintraut, *Pioneers in Banking: A History of the Indiana National Bank*, 45.

even after they were approved. In addition, the concept of trusts at that time was severely tainted by the mergers of large railroads in the 1880s followed by consolidations of large trusts of other industries up to 1904. These corporate trusts also involved the use of investment bankers, and the U.S. Congress was very suspicious of their motives as well as their claims that consolidation made them more “efficient.” Many resented the resources that went into these mergers as well as the profits that the stockholders were making, leaving the impression that Wall Street was animated by greed and that trusts cheated the public and its welfare.<sup>4</sup>

Trust companies were first established for use by corporations to “transact business of a fiduciary character out of the line of ordinary commercial banking, and to deal with real estate and collaterals and securities.”<sup>5</sup> This seemingly solved “the ancient and difficult problem of utilizing land values as a basis for credit in a safe way.”<sup>6</sup> In 1901 they were allowed to be used as a place where people could deposit their cash in savings accounts and other valuables in safe deposit boxes. Until the establishment of savings and trust companies there was no place where people could deposit their money. Part of this was due to resistance against banks of any sort by those who believed in the agrarian custom of barter and solid gold coin exchange.<sup>7</sup> Stanley L. Jones summarizes the conflict

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<sup>4</sup> Susan Hoffman, *Politics and Banking: Ideas, Public Policy, and the Creation of Financial Institutions* (Baltimore: The Johns Hopkins University Press, 2001).

<sup>5</sup> Jacob Piatt Dunn, *Greater Indianapolis: The History, the Industries, the Institutions, and the People of a City of Homes*, 2 vols., vol. I (Chicago: The Lewis Publishing Company, 1910), 356.

<sup>6</sup> Dunn, *Greater Indianapolis: The History, the Industries, the Institutions, and the People of a City of Homes*, 356.

<sup>7</sup> Stanley Llewellyn Jones, “Anti-Bank and Anti-Monopoly Movements in Illinois, 1845-1862” (Doctoral Dissertation, University of Illinois, 1947).

that contributed to the suppression of banking in predominantly rural communities by stating that these farmers:

[...] believed that paper money by stimulating commercial and industrial development was a threat to their political and economic freedom. Paper money, they believed, was the cause for inflation, depression, and all the financial stability with which they had been so harassed in previous years. They looked upon paper money as the special tool by which monopolists achieved their privileged positions. Thus, these men believed that in fighting paper money banking they were helping to preserve a stable economy in which the small farm and the small town would prevail. On the other side, the advocates of paper money were those who were first of all interested in expanding business enterprise. They believed that paper money was necessary if their business and their town were to grow and prosper.<sup>8</sup>

The measure to approve of the establishment of Indiana trust companies had failed several times in previous attempts, the last failure, also backed by Frenzel, Holliday and Judge J. E. Inglehart, being in 1891.<sup>9</sup> A major reason for this was that many legislators would not approve the bill because of the term “trust.” It took two years to educate the representatives and state senators that this was a different kind of trust.<sup>10</sup> It was introduced again by Representative Collins on January 27, 1893 as Engrossed House Bill No. 362 which read:

A bill for an act to provide for the incorporation, organization and dissolution of Trust, Fidelity and Title Guaranty Companies, defining their purposes and powers, regulating their concerns and declaring an emergency.<sup>11</sup>

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<sup>8</sup> Jones, “Anti-Bank and Anti-Monopoly Movements in Illinois, 1845-1862,” 14.

<sup>9</sup> Hyman, “A Bit of Banking History,” 16-22.

<sup>10</sup> Dunn, *Greater Indianapolis: The History, the Industries, the Institutions, and the People of a City of Homes*, 356.

<sup>11</sup> “Journal of the House of Representatives of the State of Indiana during the Fifty-Eighth Session of the General Assembly,” ed. House of Representatives (Indianapolis, IN: WM. B. Burford, Contractor for State Printing and Binding, 1893), 393.

Note the use of the words “fidelity” and “guaranty” in combination with “trust,” words that seem designed to bolster the credibility of trust companies to the legislators and the public. It was then referred to the Committee on Judiciary, whose head, Chairman McMullen, recommended the following amendment:

Before any corporations, created under this act, shall engage in any business for which the same is organized, it shall deposit with the Auditor of the State of Indiana bonds of the State of Indiana of the par value of fifty thousand dollars, or bonds of equal value, to secure the performance of all its obligations; and said company might from time to time make substitution of others for such bonds, but shall maintain the aggregate value of such deposit as long as it continues in business,” and when so amended that the bill do pass.<sup>12</sup>

It was again entered into the official record. It was later read a third time with the amendment and put to a vote, but even Representative Collins, who had originally introduced it, voted against it and it failed 39-37.<sup>13</sup> It was introduced a fourth time by Collins once again, and this time was passed 61-15.<sup>14</sup> It was introduced into the Indiana State Senate on February 21, and was made law under Chapter CLXI on March 4, 1893.<sup>15</sup> Although there are seventeen sections to the act, section ten and sections fourteen through sixteen are most relevant to the law’s role in creating community foundations.

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<sup>12</sup> “Journal of the House of Representatives of the State of Indiana during the Fifty-Eighth Session of the General Assembly,” 554, [punctuation original].

<sup>13</sup> “Journal of the House of Representatives of the State of Indiana during the Fifty-Eighth Session of the General Assembly,” 786.

<sup>14</sup> “Journal of the House of Representatives of the State of Indiana during the Fifty-Eighth Session of the General Assembly,” 845.

<sup>15</sup> “Journal of the Indiana State Senate during the Fifty-Eighth Session of the General Assembly Commencing Thursday, January 5, 1893,” ed. Indiana State Senate (Indianapolis, IN: WM. B. Burford, Contractor for State Printing and Binding, 1893), 642; “Laws of the State of Indiana passed at the Fifty-Eighth Regular Session of the General Assembly begun on the Fifth Day of January, A.D., 1893,” ed. Indiana General Assembly (Indianapolis, IN: WM. B. Burford, Contractor for the State Printing and Binding, 1893), 344.

The fourth power that was authorized to trust companies under section ten was:

To act as trustee, assignee or receiver in all cases where it shall be lawful for any court of record, officer, corporation, person or firm to appoint a trustee, assignee, or receiver, and to be commissioned and act as administrator of any estate, executor of any last will and testament of any deceased person, and as guardian of the person or estate of any minor or minors, or of the estate of any lunatic, imbecile, spendthrift, habitual drunkard or others person disqualified or unable from any cause to manage their estate [...] <sup>16</sup>

The crucial eighth power laid out under section ten specified the charges that a trust company was allowed to levy against any trust for services and fees, stating that:

For the faithful performance and discharge of any such trust, duty, obligation or service so imposed upon, conferred and accepted by any such corporation, it shall be entitled to ask, demand and receive such *reasonable compensation therefor as the same shall be worth, or such compensation as may have been or may be fixed by the contract or agreement of the parties*, as well as any advances necessarily paid out and expended in the discharge and performance thereof, and to charge legal interest on such advances unless otherwise agreed upon; and any compensation or commission paid or agreed to be paid for the negotiation or security of any loan or the execution of any trust by any such loan and trust and safe deposit company shall not be deemed interest within the meaning of any law of this State, nor shall any excess thereof over any rate of interest permitted by the laws of this State be decreed or held in any court of law or equity to be usury, and such compensation may embrace the employment of legal services when necessary for the protection of trusts [emphasis added].<sup>17</sup>

Trust companies gained the right to charge fees for their administrative services that were reasonable, but the definition of reasonable was never clarified. Nonetheless, the law also specified that the charges must be in alignment with the original contract, if

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<sup>16</sup> “Laws of the State of Indiana passed at the Fifty-Eighth Regular Session of the General Assembly begun on the Fifth Day of January, A.D., 1983,” 349.

<sup>17</sup> “Laws of the State of Indiana passed at the Fifty-Eighth Regular Session of the General Assembly begun on the Fifth Day of January, A.D., 1983,” 351, [spelling errors in original document, *italics* added for emphasis].

any, between the testator and the trust company. This may very well be a key reason, if not the main reason, that so many trust companies were anxious to help establish community foundations. If a trust could not be executed according to the wishes of the testator because the cause, person or organization designated as beneficiary no longer existed, then the estate could not be executed as originally agreed and management fees for payouts would not be allowed to be charged against the trust. This made “Dead Hand” trusts especially pernicious in the eyes of more profit-driven bankers. Moribund trusts caused a reduction in the amount of income a trust company could glean from such a trust. To give bankers even more motivation to find a way to avoid these “Dead Hand” situations, oversight from state regulators was extremely stringent:

It shall be the duty of such Public Examiner, once every six months, to make an examination of the books, property, affects [effects] and liabilities of said corporation, [...] If it shall appear to the said Auditor of State, from any examination made, [...] that said corporation has committed a violation of this act, or the law, or that it is conducting businesses in an unsafe or unauthorized manner [if the corporation does not respond satisfactorily to the charges] he shall communicate the facts to the Prosecuting Attorney [...].<sup>18</sup>

J. P. Frenzel and John H. Holliday wasted no time capitalizing on their successful lobbying efforts to get legislative approval for the establishment of trust companies in Indiana. Frenzel started the Indiana Trust Company on April 1, 1893, less than four weeks after the law was put into place. Although all of the board of the Merchants National Bank, of which J. P. Frenzel was president, comprised Frenzel family members, John P. Frenzel was the lone Frenzel associated with the newly established trust

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<sup>18</sup> “Laws of the State of Indiana passed at the Fifty-Eighth Regular Session of the General Assembly begun on the Fifth Day of January, A.D., 1893,” 352-353.

company. Holliday, who was a director of the Indiana National Bank, incorporated the Union Trust Company two months later on May 31, 1893, and became its president.<sup>19</sup>

The utility of such a service to the average person caught on quickly. When the Indiana Trust Company started on April 4, it had a capital stock certificate issued for \$750,000 and less than a month later it was raised to \$1 million. By 1907, its deposits were more than \$7.5 million and exceeded the deposits of all other Indianapolis trust companies combined. However, J. P. Frenzel at least wished to appear to be community-minded even as a businessman. According to a book that was sponsored by the Merchants National Bank (the descendant of the Indiana Trust Company), two of the Frenzel brothers who were involved in banking, Otto N. and Oscar F., were always thrifty, worked hard, and always looked to the future for opportunities. J. P. Frenzel, however, differed from the other two in that, while his brothers were devoted family men and shied away from community involvement, John was presented as “the civic-minded, community leader in the family, free to travel and devote unlimited time to his varied interests.”<sup>20</sup> It is important to remember, however, that these were sanitized versions of the history of these banks and those associated with them as they were published and/or sponsored by the banks themselves. In fact, most of the early “histories” of banks, trust companies and community trusts were paid for by the institutions themselves and must be viewed as extremely biased and premature efforts at positive public relations and institutional promotion.

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<sup>19</sup> Hyman, “A Bit of Banking History,” 16-22; *The City and the Bank, 1865-1965: The Story of 100 Years in the Life of Indianapolis and the Merchants National Bank & Trust Company of Indianapolis*, ed. Helen R. Jarvis, (Indianapolis: Merchants National Bank & Trust Company of Indianapolis/The Benham Press, 1965), 41.

<sup>20</sup> *The City and the Bank, 1865-1965: The Story of 100 Years in the Life of Indianapolis and the Merchants National Bank & Trust Company of Indianapolis*, 72.

From the beginning, Holliday's Union Trust Company was an "affiliate" of Indiana National Bank, and its self-published brief on its 80-year history stated:

Two strong affiliates...Each one strong and useful in its own right, the combined resources and services of The Indiana National Bank and The Union Trust Company offer their customers exceptional advantages in our City and State. These two institutions have combined resources of more than \$300,000,000. Whatever services common to the banking and trust company field one does not have the other does, so that together they are equipped to handle any banking or trust problem that could arise.<sup>21</sup>

Evidently using the word "trust" in the name of your business was a good marketing tool, so other financial enterprises started using it regardless of whether they had been chartered as a trust or not. This became such an issue - probably more for the legitimate trust companies - that an amendment to the act was made in 1899, which stated that it was unlawful for an unchartered entity to call itself a "trust." Violators were charged \$50 per day for each day of the offense by the attorney general.<sup>22</sup> By 1908, trust companies were doing so well that the state government decided that they should pay for their own regulation and they were assessed bank examiner fees on a sliding scale according to their level of assets. The amendments of 1911 reveal that the trust businesses grew considerably in just a few years. The power of the bank examiners was

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<sup>21</sup> *The Indiana National Bank of Indianapolis: 80 Years of Service, 1865-1945* (Indianapolis: Indianapolis National Bank).

<sup>22</sup> Harrison Burns, *Burns' Annotated Indiana Statutes showing the General Statutes in Force September 1, 1901, Volume II*, The Revision of 1881 as Amended, and All Permanent, General and Public Acts of the General Assembly Passed since the Adoption of that Revision, vol. II (Indianapolis: The Bowen-Merrill Company, 1901), 893.



reduced, as well as their numbers, and it was made clear to them that they could be replaced at the anytime.<sup>23</sup>

In 1915 huge changes in competition for Indiana trust companies were made when the state laws were amended so that all Indiana banks could engage in the trust businesses. The law was changed to read that any bank or savings institution operating in Indiana “shall be empowered by this act to accept and execute trusts of any and every description which may be committed or transferred to them, under the same rules and regulations as now govern like powers in loan and trust companies.”<sup>24</sup> This legislation ended the monopoly that trust companies had controlled for over 20 years, forcing them to compete with all banks for trust customers. This gave trust bankers and their powerful affiliated attorneys a major reason to make common cause in an effort to jointly and profitably dominate the trust business in Indianapolis. Trusts being such a lucrative business, in order to survive it would be imperative that competitive financial institutions would have to devise a way to market themselves as the more trustworthy choice among many. This could be an important reason why trust companies decided to help charter community foundations. Being closely associated with such a philanthropic institution, such as a community trust or foundation, projected a trustworthy image to potential trust costumers. In fact, in other cities rival trust companies saw the importance of this advantage and expressed their dissatisfaction. For instance, several Chicago trust companies voiced their disapproval that the Harris Trust was the only trust company

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<sup>23</sup> Harrison Burns, *Burns' Annotated Indiana Statutes showing the General Statutes in Force January 1, 1914*, IV vols., Embracing the Revision of 1881 as Amended, and All Permanent, general and Public Acts of the general Assembly Passed since the Adoption of that Revision, vol. II (Indianapolis: The Bobbs-Merrill Company, 1914), 295-297.

<sup>24</sup> Harrison Burns, *Burn's Annotated Indiana Statutes Supplement of 1918 Containing the General Statutes Enacted at the Legislative Sessions of the 1915 and 1917, Together with Notes of the Decisions of the Highest Courts* Vol. V (Indianapolis: The Bobbs-Merrill Company 1918), 162.

allowed to be associated with the Chicago Community Trust. As a result of their insistence that they be included in such a public institution, several other Chicago trust companies gained admittance to an “Advisory Council,” but this did not occur until 1949, more than 30 years after the creation of the community trust.<sup>25</sup> In contrast, the original three trust companies chartering the Indianapolis Foundation never instituted any similar accommodations. By 1925, more than 50 community trusts had been established, but about 40 of them had been chartered by only one trust company. This clearly shows that from the very beginning of the community foundation movement trust bankers wanted to maintain monopolistic control over these foundations. Profit was their primary motive. Logic dictates that if they were truly concerned about expanding the potential power of philanthropic trusts and of ending the scourge of the dreaded “Dead Hand” trust through the creation of community foundations, then these trust companies executives should have invited as many trust companies as possible to join in the effort in order to help uplift their treasured local communities. Trust companies that were left out in the cold in other cities also saw the duplicity of this arrangement and pressured the original founders to open up the membership of this exclusive club. Support grew for the multiple trust approach because it was “more apt to enlist the active support of all qualified banks and trust companies of a community.”<sup>26</sup>

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<sup>25</sup> Loomis, *The Chicago Community Trust: A History of its Development 1915-1962*, 7.

<sup>26</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 291.

## **Fees Charged by Trust Companies for Trust Administration and Distribution**

For this study, the most important parts of trust company fee schedules are the charges for the distribution of funds from trusts, such as payments to beneficiaries. No other scholarly research has scrutinized the profit motive for forming community foundations. By 1925, there were laws and regulations in many states concerning limits on how much a trust company could charge its trusts for administrative and legal fees. However, Indiana had no such limit. If the fees charged in other Midwestern states are an indicator of the fees that Indiana trust companies charged for trusts created by wills or court created trusts, the trust business was indeed highly lucrative. These fees range from 10 percent of the first \$1,000 handled to 1 percent of funds over \$5,000. The *maximum* fees for the states closest to Indiana were as follows:

Michigan ... 5 per cent on first \$1,000, 2 ½ per cent on next \$4,000, 1 per cent on balance.

Ohio ... 6 per cent on first \$1,000, 4 percent on next \$4,000, 2 per cent on balance.

Illinois ... Not over 6 per cent on personal estate and 3 per cent on proceeds of sale of real estate.

Kentucky ... Not over 5 percent on all amounts received and disbursed [spelling in original document].<sup>27</sup>

From these outlined Midwestern fee schedules, we can reasonably assume that Indiana trust companies were charging 4 or 5 percent on the smaller amounts and around 2 percent on the larger balances just for handling those amounts, whether from the original acceptance or disbursement. Some even argued that the problem was not that trust companies charged too much but that they charged too little, which caused problems for the companies and the trust business in general. Even states' legislation included specific language concerning the right of the trust company to charge such fees. Part of

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<sup>27</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 332-335.

this language stemmed from the fear that financial institutions were unstable at this time in history and failure was not unusual. One law book of the era even had a section titled “Necessity That Trust Company Should Receive Compensation,” which stated that trust companies were corporate fiduciaries and thus it should follow that:

[...] as a corporate fiduciary is given particular power as a business agency it naturally would be deemed not only in accordance with, but in strict requirement of, public policy, that it should earn in the exercise of that power such compensation as will maintain its solvency. Like the compensation to which a common carrier or an insurance company, it not only is entitled to charge, but may be required to charge reasonable compensation for its services and the risk involved.<sup>28</sup>

In fact, the main responsibility of regulators was not to protect the trust account of the individual from pillage, but to insure that the bank itself remained solvent.

Furthermore, a bank examiner could insist that a trust company charge more for fees, reasoning that “naturally [he] would not permit such a company to serve without compensation and thus imperil its solvency. By like token [he] could demand that it charge reasonable compensation.”<sup>29</sup> This pressure from regulators to push trust companies to collect sufficient fees assuredly caused concern among trust company executives about their inability to charge administration fees to mortmain trusts that could not be administrated. This too drove trust companies to create community foundations to avoid this regulatory problem and to increase their profits with the state’s blessing.

It was also a matter of professional appearance to charge less than a reasonable fee for services. Although fee limits were set by law or contract, trust companies often lower their fees to attract new customers or impress current ones. The result of this

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<sup>28</sup> John H. Sears, *A Treatise on Trust Company Law* (Chicago: T. H. Flood & Company, 1917), 27.

<sup>29</sup> Sears, *A Treatise on Trust Company Law*, 28.

“unrestricted competition” was thought to cheapen the quality of service to the customer. The preference of some was to keep the fees at required consistent levels so that trust companies would have to compete on the quality of service instead of the disreputable cutting of fees below the federal rates. One of the justifications for this asserted that trust departments needed to employ specialized personnel to function well, requiring “a certain kind of expert and trained clerical force, security analysts and also definite material facilities.”<sup>30</sup>

In 1925, Clay Herrick, vice-president of the Guardian Trust Company of Cleveland voiced this concern that the trust companies did not charge enough for their services, stating that:

As a matter of fact, there have been few instances in which trust companies have erred on the side of charging too much for their services. The tendency has been the other way. It is pretty well understood among trust department officials that the earning value of the department to its company lies in the steady and dependable income which it provides and in the growth of earnings as volume increases, and not in relatively large profits. [...] the value to clients of the services of an experienced trust department is usually well above the charges made.<sup>31</sup>

Trust company officers believed that the fees they charged were a bargain compared to the expertise and advice offered to the client. The preservation of a profitable fee level was of such importance that, during the 1920 Trust Company Division meeting of the American Bankers’ Association, it emerged as the main topic of discussion.<sup>32</sup> The Committee on Standardization of Charges was formed in 1918. At the

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<sup>30</sup> James G. Smith, *The Development of Trust Companies in the United States* (New York: Henry Holt and Company, 1928), 363.

<sup>31</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 316.

<sup>32</sup> Smith, *The Development of Trust Companies in the United States*, 364-365.

1920 meeting, a schedule of fees was introduced and adopted. The committee stated that the reasons for this suggested schedule included:

- (a) That a standard schedule must be fixed upon a basis that the average duties involved and responsibilities assumed are those usual in the average trust of its kind, as administered in the average community, with sufficient service rendered and adequate skill employed.
- (b) That the compensation must be fair and reasonable for the service rendered, and advantageous to the patron as well as remunerative to the trust company.
- (c) That exorbitant charges retard or prevent the growth of the trust business, while *inadequate charges eventually result in the deterioration of the quality of service rendered, which in turn reacts unfavorably upon the expansion of the trust business* [emphasis added].
- (d) That a uniform or standard method of charging throughout the country should tend to stabilize the trust business and create a better public opinion of the value of trust services.
- (e) That as a guide or indication of general trust costs the schedules should serve as a deterrent to that evil now prevalent in many communities, namely “injurious cutting,” which practice inevitably results in inefficient trust service.<sup>33</sup>

This passage shows that these trust company giants of capitalism did not truly embrace the capitalist concept of Adam Smith’s “Invisible Hand” of free trade and competition that acts as the great equalizer, which would naturally intervene in the affairs of business to insure better products and services at lower prices. These trust bankers felt that they were above the crassness of competition based on price, that it was somehow dishonorable to offer trust patrons or their heirs a better return on their money. The committee created twelve schedules of how the fees of different kinds of trusts should be handled. Schedule XI deals with court trusts, or trusts that are created by “Wills, Appointment or Court Decree.” It states that administration fees are not addressed and trusts should follow state guidelines. This is probably because trusts of this nature are

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<sup>33</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 317-318.

very different from each other and therefore require a variety of administrative tasks that cannot be standardized. However, it does state recommended rates for both an annual fee and for closing or distribution fees. The annual fees recommended are three-fifths of one percent of the value for real estate with a minimum of \$15, and one-half of one percent of cash and securities with a minimum of \$10.<sup>34</sup>

Even more important are the suggested fees for the distribution of funds, which include the cost of attorney fees plus one-half of one percent of the value of the disbursement with a minimum charge of \$25. The schedule also suggests that the charge to charities could be free “if desired.”<sup>35</sup> Yet the trust companies creating the Indianapolis Foundation ignored that passage, as they always charged fees for their administration of the foundation’s trusts. The crucial point here is that *if the trust companies could not disburse the funds, they could not charge an additional fee for disbursement*. In the case of “Dead Hand” trusts, or trusts that were difficult to administer to a beneficiary, this negatively affected the profitability of the trust company.

These proclamations show that trust companies wanted to maintain profitability and avoid competition at all costs, even if it bordered on price fixing. Price fixing was precisely the accusation levied against the railroad and oil trusts of the late 1800s and early 1900s which gave trusts a bad reputation in the first place. Conversely, the trust companies were also very concerned with gaining the trust of the patron as well as improving public opinions about trust companies on the whole. As a result, they wanted to avoid any controversy over egregious price gouging by their peer institutions.

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<sup>34</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 327.

<sup>35</sup> Herrick, *Trust Departments in Banks and Trust Companies*, 327.

## Using Advertising and Marketing to Promote Community Trusts

To expand their trust business, most trust companies created booklets and pamphlets to distribute to law offices, bank offices, and to civic and charitable leaders in the community. Some newspaper advertising was also done with mixed reviews. For example, at great expense the banks sponsoring the Chicago Community Trust took out a series of quarter-page ads in major newspapers. Although a few small gifts resulted, “the Distribution Committee came to the strong opinion that this campaign was a mistake. The general community seemed to get the idea that the Community Trust was some kind of commercial enterprise, trying to cash in on charity. It took several years to live that down.”<sup>36</sup> The fact that the trust company went to such great expense to advertise its desire to hold these perpetual trusts is even further evidence that profit, not benevolence or real community service, motivated its leaders. As competition for trust clients grew, opposition to trust companies arose from a very formidable group -- the lawyers.

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<sup>36</sup> Frank D. Loomis, *Community Trusts of America: Their Origin, Development and Status After Thirty-Six Years, 1914-1950* (Chicago: National Committee on Foundations and Trusts, 1950), 29.



## **The Lawyers vs. the Bankers: Titans of Wealth Clash**

Not everyone was as concerned about the well-being of trust companies, least of all the jealous lawyers who, until trust companies were created, had the largest share of the trust business and served as trust administrators. One lawyer who vehemently opposed trust companies was A. K. Montrose. He wrote in the *Virginia Law Register* in 1911 about “Some Defects in Trust Companies.” Extensive direct quotations from his paper are included here only because he covers a good many issues that are not addressed by other historical documents and because he wrote sentiments imbued with the colorful language of the legal profession at the time. Montrose claimed that the administration of a trust should be left to a capable individual rather than a company because the pressure of individual responsibility was the single most important insurance for the proper execution of such a trust. He accused trust companies of soliciting clients using unprofessional tactics. He blamed this, in part, on the growing number of corporations encroaching on traditional ways of doing business. He detested their undesirable practices, writing:

One of these is the “drumming” for business. Many of them are as despicable in their methods of obtaining business as “ambulance lawyers,” the only difference being the difference in the kind of business they seek. Not infrequently the body of the deceased is no more under the sod until an officer of a trust company is ringing the door bell of his late residence and presenting to the widow and the heirs the advantages of an administration by his company. Even friends of the deceased are sought to obtain their influence with those interested in the estate. This is a complete reversal of the old order of affairs, and a course of conduct that no lawyer of any delicacy, and few of any sense of fitness and propriety of things, is willing to pursue. It is distinctly a violation of a lawyer’s code of ethics as expounded by all writers on that subject.<sup>37</sup>

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<sup>37</sup> A. K. Montrose, “Some Defects in Trust Companies,” *The Virginia Law Register* 16, no. 9 (1911), 641-647, 645.

He stated that trust companies often assigned poorly paid employees to do the actual work and that no one person was held personally accountable for any problems that might arise. As many state and federal legislatures are dominated by lawyers, Montrose's arguments may also reveal some of the key reasons it was so difficult to get legislation passed to allow trust companies to operate:

Trust companies are formed for the purpose of making money for their stockholders. This is the sole motive for their formation. They are not benevolent institutions, but are thoroughly commercial. The larger their dividends the more valuable will be their stock, the more satisfied will be the stockholders, and the more likely will their managers be able to retain their positions.

The income of the trust companies in the handling of trusts or estates depends on the fees they receive as administrators, guardians, assignees, and receivers. If the income from these resources can be increased and the expenses of administration diminished, the larger will be the next dividend; or the value of their stock in the market will be enhanced thereby, because of the undivided profits remaining in the treasury.

In the very beginning the monetary interests of the trust companies are antagonistic to those of the trusts they are appointed to administer; and it is an antagonism with which it is difficult to cope. No court can be expected, in making them allowances, to know all the "ins and outs" of the business, nor always the exact value of the services rendered. To some extent the trusts, over which these Trust Companies are put, are at their mercy.

But at this point another factor enters, which is a far more serious one than the one just mentioned, and this is the cost to the trust companies in handling the business pertaining to estates and trusts. The less the company has to pay its employees, the less the cost of administration will be to the company, and, consequently, the greater the profits. But in the use of a cheap man there is a loss of efficiency. The handling of the property of an estate, of a guardianship, of an assignment, of a receivership of a trust, requires judgment and business capacity to secure the best results; and these cannot be secured in a cheap man.

It is the practice of trust companies to secure as cheap assistants as is compatible with the dispatch of business, although they are

quick to deny this charge. A fifteen-dollar-a-week clerk is often placed in the actual charge of a difficult business, or in the winding up of an involved estate or trust, which requires the insight and experience of a trained business man -- such a man as usually was secured before the trust companies came into the field. The best results cannot be thus attained; the best interests of the estate or trust cannot be thus served. Indeed, there is occasionally a manifest inclination to settle up an estate as quickly as possible, if thereby the cost to the company in handling the estate is lessened and the fees to it are the same as if the administration were longer drawn out; thus, to some extent, making a sacrifice of the estate for the benefit of the trust company.<sup>38</sup>

The last two paragraphs of this passage directly address the fees that trust companies charged and the real incentive: the less their expenses, the greater their profit. This aggrieved lawyer also pointed out that those with little knowledge of the trust business do not have the professional knowledge to judge when fees are unreasonable or affairs are not handled correctly. He attacked the trust companies' claim that they paid interest on the trusts, stating that it was "usually three or four percent, and that by no means running over the entire period that the funds have been in their custody."<sup>39</sup> He also accused the trust companies of using the assets of estates "for their own private businesses and never account for the profits. It is the law, as we all know, that if an administrator uses the funds of a trust in his own business or in an investment for himself, he must account for all profits he receives, and the courts will hold him to strict accounting. Yet trust companies do not have to account for such profits."<sup>40</sup> The reason for this was that trust companies paid interest on the trust and therefore had a right to invest the assets as they chose, but Montrose complained that the interest they paid was very

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<sup>38</sup> Montrose, "Some Defects in Trust Companies," 642-643.

<sup>39</sup> Montrose, "Some Defects in Trust Companies," 645.

<sup>40</sup> Montrose, "Some Defects in Trust Companies," 647.

low compared to the actual profits and was something “a court would not tolerate for an instant in an individual.”<sup>41</sup>

The combative Montrose Further attacked the trust companies as untrustworthy stewards, emphasizing their relationship with banks, especially national banks. It must be remembered that banks at this time still did not have the security of a Federal Reserve System and were always looked upon suspiciously by government authorities and the general populace due to their questionable financial entanglements with big business. Montrose pulled no punches in his assessment of the seediness of this arrangement, claiming that:

Nearly every trust company has an invisible connection with a bank --- usually a national bank. Officers of these national banks are often on the directorate of the trust companies, or are heavy individual stockholders therein. As is well known, national banks cannot loan their funds on real estate security, but it is very easy to loan the bank’s funds to a favorite trust company which can loan them on real estate security. Thus, there is almost an evasion by the bank, through the convenience of a trust company, of the national banking act.<sup>42</sup>

Montrose put the finishing touches on his thrashing of trust companies by pointing out that these trust companies were involved in politics and used their influence to support legislators and judges who, once in office, caused the stock of the trust company supporting them to rise because the company “owned” such actors. Such charges caused delays in getting legislation passed to legalize the establishment of trust companies in several states. Lawyers also attempted to strip established trust companies of their ability to administer trusts. This could well explain the failed attempts to get trust

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<sup>41</sup> Montrose, “Some Defects in Trust Companies,” 647.

<sup>42</sup> Montrose, “Some Defects in Trust Companies,” 646.

companies legalized in Indiana in the early 1890s. As one author states, “In some of the mid-western and western states the progress of trust companies has been retarded by the fact that the legal profession prevented legislation looking to the formation of trust companies.”<sup>43</sup>

The California Bar Association also weighed in on the issue. It felt that not only were the trust companies attempting to practice law, which the association believed was prohibited by state trust company law, but that they were giving away legal services for free. To make matters worse, they hired lawyers as employees to write up wills and take care of the legal processes, which many attorneys felt was a conflict of interest because the lawyers were not representing the client, only the interests of the trust company. A “Brief Submitted to the Committee of the Los Angeles Bar Association of Unlawful Practice of Law” proposed a new law specifically prohibiting trust companies from practicing law. It cited a brochure from a trust company and charged that:

[...] on page 17 thereof, under the heading entitled, “Have you made your Will?”, appears the following: “This institution will draw your will, deposit it in its strong vaults for safe keeping, and, at your death, deliver it to the Clerk of the Court for probate. Your property will be properly collected, cared for and distributed by officers who are selected because of their legal attainments and business judgment” [punctuation in original document].

The companies referred to above solicit free consultations respecting the preparation of Wills, advising clients by attorneys employed by them (and who are generally paid employees of such companies, such attorneys in many cases being designated as trust officers) respecting laws governing distribution of property in estates of descendents. [...] The attorney trust officer that conducts the law practice for the corporation does not represent the customer, but represents the corporation, and is not directly responsible to the customer, but is directly responsible to the corporation. The corporation is not qualified to practice law, yet by reason of the aid of such attorney trust officer, the corporation is

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<sup>43</sup> Smith, *The Development of Trust Companies in the United States*, 365.

practicing law which the proposed legislation is designed to prohibit.<sup>44</sup>

The unlawful practice of law by trust companies and the resulting perceived conflicts of interest became a national concern among lawyers. On the east coast, lawyer Julius Henry Cohen from New York City wrote that a “trust company lawyer cannot act both for the trust company and the maker of the will without violating fiduciary principle. *No man can serve two masters*. It is precisely at this point that the differentiation between *business* and *profession* occurs” [italics in original document].<sup>45</sup> It remains a curiosity as to why these lawyers and other trust administrators during the decades and centuries before 1914 had not developed the concept of the community trust. Surely they encountered the same problems in charitable administration that trust companies encountered.

The attitudes of lawyers began to change slowly, mostly because lawyers were still needed by trust companies to draw up and defend wills and trusts. The lawyers and bankers were realizing the many mutual advantages in this profitable endeavor and began to make common cause. In 1910, several years after trust company laws were enacted in Indiana, the vice-president of the Indiana Bar Association, E.R. Keith, addressed the Indiana Bankers Association on the apparent conflict. He reported that, “The lawyer looked upon the Trust Company with as much suspicion as does the small boy upon the advent of his baby brother – he knew his status up to that time, but was not at all assured as to the hereafter.[..] there was a decided feeling of opposition, on the theory that the

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<sup>44</sup> *Proceedings, Eleventh Annual Meeting, California Bar Association, Santa Cruz, California, September 23, 24, 25, 1920.*, (San Francisco: California Bar Association, 1921), 374.

<sup>45</sup> Julius Henry Cohen, “Unlawful Practice of the Law Must Be Prevented,” *Annals of the American Academy of Political and Social Science* CI, no. May, 22 (1922), 47.

Trust Company was going to usurp the field of the lawyer in probate matters – briefly, that the trust company was going to practice law.”<sup>46</sup> He admitted that, before trust companies, reliance on lawyers alone led to:

[...] a laxness in the handling of estates and guardianships at least in the more populous counties, that will never be repeated in the history of the state. [...] And when you reflect that the maker of a will who selected a prosperous business man to act as his executor had no assurance that the prosperous business man would still be prosperous, or even be in existence when will became effective, it is small wonder that people were ready for something more permanent than personal executors.[...] In the beginning, and to some extent it still exists, lawyers were afraid to have their clients get into communication with Trust Companies, for the very vital reason that *they were not assured of the future control of the client's business* [emphasis added].<sup>47</sup>

During the same convention, the president of the Trust Company Section, James L. Randel, attempted to bridge the divide between bankers and trust companies by stating their common interests. Addressing the trust company officers, he urged them to understand that:

The lawyer stands at the threshold of your existence into the administration of trusts, for the public comes first to him with their troubles, therefore it becomes your duty to educate him to understand and feel that you are not his enemy; that your interests and his are identical, and to show him by frank and honest treatment that he has nothing to fear from you. You will find him skeptical. He fears that when you establish your reputation the public will come to you first, and that instead of him naming you as administrator, you are to name him as attorney. But you must have attorneys, and why not be frank and fair to all? The young attorney who has not yet firmly established his own reputation, takes more kindly to your interests than the older ones. Then when you fail to impress the lawyer you must go directly to the public

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<sup>46</sup> *The Indiana Bankers Association Fourteenth Annual Convention*, (Evansville: The Indiana Bankers Association, 1910), 111.

<sup>47</sup> *The Indiana Bankers Association Fourteenth Annual Convention*, 112.

and show them, in fact, show them both at the same time, for the information you give to the public will do the lawyer no harm.<sup>48</sup>

Among those in the legal profession, the trust companies were not well thought of and were being portrayed as business-stealing, money-hungry, devious institutions that preyed on the bereaved. As Montrose pointed out, these were not benevolent institutions, but first and foremost, profit-making corporations. I believe that combating this attitude was a large part of the motivation of trust companies to establish community foundations. Not only would such foundations enhance the reputation of trust companies by advancing corporatized, but spurious, philanthropy within the community, they would also give them a competitive edge in credibility over other trust companies and eventually all banks. “Philanthropic” bankers could then crowd out individual lawyers from trust administration, engrossing the fees that lawyers once collected for trust services. The desire for this competitive edge can also explain why community foundations were started by only one trust company in the early years. In this context, the Indianapolis Foundation was a rarity as a foundation with multiple trust companies involved, although only three were invited to participate. The role of the foundation became to relieve trust companies of the burden of charitable administration, while lessening the cost to the trust companies of administering the terms of any charitable trust.

For several years after the creation of the Cleveland Foundation, many authorities on the subject continued to insist that it was the issue of the “Dead Hand” trust that caused the creation of the community trust. As James G. Smith, of Princeton University, wrote in 1928:

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<sup>48</sup> *The Indiana Bankers Association Fourteenth Annual Convention*, 108.



It has long been a problem in the proper administration of charitable gifts to apply the funds in accordance with the specified purpose of the gift after conditions have so changed that the specified purpose is no longer practicable, if indeed possible at all. A charitable trust fund left in 1835 to help poor immigrants make a start in what was then the far west and now is called the Ohio valley, is not practicable under modern conditions. Funds left for specified purposes for the benefit of students often outlive the purpose named when customs change. Yet, under the law of trusts, the trustee is bound to observe the terms of the deed of trust, will, or indentured creating the trust; but the law has recognized these difficulties and for many generations has solved them or attempted to solve them by the application of the doctrine known as *cy pres*. Under this doctrine of the law, when it becomes impossible or impracticable to apply the funds of a charitable trust in exact accord with the terms of the deed, the courts will allow the trustee to use the funds for some charitable purpose closely related to the one named by the grantor. [...] In order to overcome these difficulties and to promote philanthropic work of a highly beneficial character, the trust companies of many cities in recent years have devised the community trust plan.<sup>49</sup>

Some may argue that benevolence, not profit, was the motivation for creating community foundations and trusts, but the fact remains that the *cy pres* legal procedure was available to sever the “dead hand” that impeded outdated trusts and free them from their donor’s original intent. However, the use of *cy pres* litigation meant expensive and protracted legal action in the courts, as well as the expenditure of valuable time that could be better utilized in making money. Many people considered philanthropic trusts as available only to the wealthy and did not consider leaving their small amount of funds with a trust company. Therefore, encouraging donors of moderate means to pool their money into a community trust was yet another way to increase business and grow the trust company’s assets.

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<sup>49</sup> Smith, *The Development of Trust Companies in the United States*, 109-110.

## **The Clash between Banks and Trust Companies**

Even among their banking brethren there was animosity toward trust companies. Most of this was driven by what bankers thought were unfair levels of oversight of banks compared to the lax oversight of trust companies. Clearly, trust companies were cutting into the banking businesses and it was not appreciated by competing bankers. As Alexander Noyes concluded, “The simple truth of the matter is, that either the state and national banks are unreasonably restricted, or else the precautions surrounding trust companies are too loose. [...] The banking law, in my judgment, ought unquestionably be amended so that institutions doing a simple deposit banking business under another name shall be required to erect the safeguards demanded of the banks.”<sup>50</sup> Although Noyes claimed to be concerned about the failure of trust companies in the event of a financial calamity such as those in 1857, 1873 and 1893, he also commented on the enormous growth of trust companies in a short period of time. He cautioned that this growth was because the trust companies had the benefit of “several years of great prosperity” and had not yet been tested by a major financial downturn.

The State Superintendent of Banks of New York also commented on the state of trust company regulation in 1904. He cited several states and the differences in their trust company regulations and laws, and voiced his frustration with the lack of standardized controls. He also railed against the ability of trust companies to accept deposits from businesses because they were doing things that only banks should be allowed to do. In addition, he also felt that trust companies should not be allowed to invest in untried and untested securities, another arena of banks. In closing, he states that, “It would be well if

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<sup>50</sup> Alexander D. Noyes, “The Trust Companies: Is There Danger in the System?”, *Political Science Quarterly*, 16, no. 2 (1901), 248-261.

the name ‘Trust Company’ could have a uniform meaning throughout the land, always implying strict compliance with wise laws, adequate state supervision and control and conservative and safe management.”<sup>51</sup>

It seems that these critics’ concerns were amply warranted, whatever their motivations, when the great financial panic of 1907 took its toll on all banking institutions, with trust companies seeming to fare worse. According to one source, “Trust companies in New York City suffered a tremendous contraction in deposits and loans as a result of depositor withdrawals during the Panic of 1907, while state and national banks experienced no comparable contraction.”<sup>52</sup>

### **The Proof is in the Assets**

The test of whether or not the creation of the Indianapolis Foundation became especially profitable to the three trust companies that chartered it may be seen in a comparison of the trio’s growth in assets versus other trust companies not involved with the foundation. In economic language, this comparison is called the “difference in differences.” In order to determine if there was such a pattern, the same comparison is made of trust companies in Chicago and Cleveland, cities in which community trusts were started about the same time in the Midwest. For comparison, I chose only trust companies that were in business during the same periods of time before and after the community trusts were established, with the exception of the Fletcher Trust and Savings, because it was not established until 1912 and was one of the trusts that started the Indianapolis Foundation. As shown in Table 1, in the nine years between 1905 and 1914,

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<sup>51</sup> Frederick D. Kilburn, “Control and Supervision of Trust Companies,” *Annals of the American Academy of Political and Social Science*, 24, The Government in Its Relationship to Industry (1904), 27-42.

<sup>52</sup> Ellis W. Tallman Jon Moen, “The Bank Panic of 1907: The Role of Trust Companies,” *The Journal of Economic History* 52, no. 3 (1992), 628

before the Indianapolis Foundation was created, the assets of the Union Trust Company and the Fletcher Trust and Savings Company increased 110%. This is a substantial increase, but not as large as the other trust companies in existence during the same period. They had a total asset increase of 229%. However, this changes dramatically from 1914, two years before the foundation was created, until 1921, five years after it was established. The three banks associated with the Indianapolis Foundation posted a 148% increase, while the others had only 60% growth as a group.

	Assets 1905	Assets 1914	1914 Increase over 1905	1914 % Increase Over 1905	Assets 1921	1921 Increase over 1914	1921 % Increase Over 1914
Trust Company Assets Connected to Community Foundations or Trusts in Indianapolis							
Fletcher Trust and Savings Company, Indianapolis	0	9,633,000	0		16,638,000	7,005,000	72.72%
Indiana Trust Company	7,269,000	9,510,000	2,241,000	30.83%	17,586,000	8,076,000	84.92%
Union Trust, Indianapolis	3,678,000	3,898,000	220,000	5.98%	22,930,000	19,032,000	488.25%
Total Assets	10,947,000	23,041,000	12,094,000	110.48%	57,154,000	34,113,000	148.05%
Trust Company Assets NOT Connected to Community Foundations or Trusts							
Farmers Trust Company, Indianapolis	122,000	1,263,000	1,141,000	935.25%	1,859,000	596,000	47.19%
Security Trust Company, Indianapolis	752,000	1,615,000	863,000	114.76%	2,746,000	1,131,000	70.03%
Total Assets	874,000	2,878,000	2,004,000	229.29%	4,605,000	1,727,000	60.01%

Table 1: Comparison of Trust Company Assets in Indianapolis, 1905-1921.<sup>53</sup>

Similar results were found when looking at a comparison of the Cleveland Trust Company (the only trust company involved in the creation of the Cleveland Foundation) with those who were not so involved. I compared its assets against the only three trust companies that were in existence between 1906 and 1922. According to Table 2, from 1906 to 1914, the Cleveland Trust increased its assets by \$7,978,679, or 26 percent. During that same period, the other three trust companies had increased assets of \$20,053,413, or 97 percent, far outpacing the Cleveland Trust Company. Keeping in mind that the Cleveland Foundation was established in 1914, the tables turn from 1914 to 1922, with the Cleveland Trust increasing by \$124,717,564, resulting in a 322 percent increase, while the other

<sup>53</sup> *Trust Companies of the United States: 1914 Edition*, (New York: United States Mortgage & Trust Companies, 1914); *Annual Report of the Auditor of State of the State of Indiana*, (Indianapolis: State of Indiana, 1906); Indiana Secretary of State, *Annual Reports of State Officers, Departments, Bureaus, Boards and Commissions for the Fiscal Year Ending September 30, 1921* (1922).

three banks record an increase of \$87,172,457, only a 214 percent increase. In addition, by 1922, the Cleveland Trust had more assets than the three other trust companies combined.

	Assets 1906	Assets 1914	1914 Increase over 1906	1914 % Increase Over 1906	Assets 1922	1922 Increase over 1914	1922 % Increase Over 1914
<b>Cleveland</b>							
Trust Company Assets Connected to Community Foundations or Trusts in Cleveland							
Cleveland Trust Company	30,759,722	38,738,401	7,978,679	25.94%	163,455,965	124,717,564	321.95%
<b>Total Assets</b>	<b>30,759,722</b>	<b>38,738,401</b>	<b>7,978,679</b>	<b>25.94%</b>	<b>163,455,965</b>	<b>124,717,564</b>	<b>321.95%</b>
Trust Company Assets NOT Connected to Community Foundations or Trusts							
Guardian Trust Savings & Trust Company	14,660,240	31,275,273	16,615,033	113.33%	93,649,312	62,374,039	199.44%
The Pearl Street Savings & Trust Co.	2,895,176	5,994,732	3,099,556	107.06%	22,417,688	16,422,956	273.96%
The State Banking & Trust Co.	3,048,676	3,387,500	338,824	11.11%	11,762,962	8,375,462	247.25%
<b>Total Assets</b>	<b>20,604,092</b>	<b>40,657,505</b>	<b>20,053,413</b>	<b>97.33%</b>	<b>127,829,962</b>	<b>87,172,457</b>	<b>214.41%</b>

Table 2: Comparison of Trust Company Assets in Cleveland, 1906-1922.<sup>54</sup>

To see if this pattern of comparative increased profit was common among trust companies that chartered community trusts and foundations, I also looked at the Harris Trust Company and its relationship with the Chicago Community Trust. Like the Cleveland Trust Company, it was the solo trust for the foundation in the beginning. However, the Harris Trust & Savings was not founded until 1907, so the data was collected for all trust companies in that year for comparison.

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<sup>54</sup> *Trust Companies of the United States, 1906 Edition; A Compilation of the Statements of Condition of Trust Companies of the United States and of June 30th, 1906*, (New York: The United States Mortgage & Trust Company, 1906); *Trust Companies of the United States: 1914 Edition; Trust Companies of the United States, 1922 Edition: Statements of Condition, June 30, 1922*, (New York: United States Mortgage & Trust Company, 1922).

The data for comparison was taken from the same 1914 and 1922 resources as the Cleveland comparison. In Table 3, we see that from 1907 to 1914 the Harris Trust had a tremendous increase in assets compared to the other trust companies, up 330 percent compared to an increase of 44 percent. It must be taken into account that the Harris Trust had just started in 1907, and during the years before 1914 it had merged with several other trust companies, absorbing their assets. This could be the direct result of the Panic of 1907, which depleted the resources of several trust companies and made them vulnerable to takeovers. The Harris family, who were already in the banking business, had the financial acumen to execute such moves. So buy-outs and mergers, rather than increased reputation and customer confidence, deserves the major credit for its increased assets during this time. Even so, after the creation of the Chicago Community Trust, the Harris Trust still bested the average increase of all the others with an improvement of 99 percent versus 75 percent.

Chicago	Assets 1907	Assets 1914	1914 Increase over 1907	1914 % Increase Over 1907	Assets 1922	1922 Increase over 1914	1922 % Increase Over 1914
Trust Company Assets Connected to Community Foundations or Trusts in Chicago							
Harris Trust and Savings	5,890,234	25,338,544	19,448,310	330.18%	50,525,598	25,187,054	99.40%
Total Assets	5,890,234	25,338,544	19,448,310	330.18%	50,525,598	25,187,054	99.40%
Trust Company Assets NOT Connected to Community Foundations or Trusts							
Central Trust Co. of Illinois	16,596,086	51,056,911	34,460,825	207.64%	85,295,015	34,238,104	67.06%
Chicago Title & Trust Co.	12,739,910	21,941,794	9,201,884	72.23%	19,082,540	-2,859,254	-13.03%
Drovers Trust & Savings Bank	2,428,314	4,688,984	2,260,670	93.10%	7,097,872	2,408,888	51.37%
First Trust & Savings Bank	30,854,781	71,416,383	40,561,602	131.46%	117,328,933	45,912,550	64.29%
Illinois Trust & Savings Bank	108,029,209	109,633,797	1,604,588	1.49%	168,219,836	58,586,039	53.44%
Merchants' Loan & Trust Company	56,603,041	64,521,308	7,918,267	13.99%	151,075,197	86,553,889	134.15%
The Northern Trust Company	31,358,182	35,691,034	4,332,852	13.82%	59,033,944	23,342,910	65.40%
North-Western Trust & Savings Bank	1,208,905	5,282,003	4,073,098	336.92%	18,542,255	13,260,252	251.05%
The Peoples Trust & Savings Bank of Chicago	1,179,023	7,765,093	6,586,070	558.60%	15,977,026	8,211,933	105.75%
The Pullman Trust & Savings Bank	4,301,621	4,940,664	639,043	14.86%	6,531,833	1,591,169	32.21%
State Bank of Chicago	19,850,258	30,333,373	10,483,115	52.81%	51,903,357	21,569,984	71.11%
Union Trust Company	14,528,358	24,614,826	10,086,468	69.43%	57,700,297	33,085,471	134.41%
Total Assets	299,677,688	431,886,170	132,208,482	44.12%	757,788,105	325,901,935	75.46%

Table 3: Comparison of Trust Company Assets in Chicago, 1907-1922 <sup>55</sup>

The comparative financial information in Table 3 shows an important correlation between the increased assets of the trust companies and their role in creating community trusts and foundations. Not only did community trusts help increase trust company assets, they also relieved trust companies of a responsibility that most were quite ill-prepared to perform and that was the antithesis of their main charge to create wealth -- the responsibility of giving

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<sup>55</sup> *Trust Companies of the United States, 1907 Edition: a Compilation of the Statements of Condition of Trust Companies of the United States as of June 29th, 1907*, (New York, 1907); *Trust Companies of the United States: 1914 Edition*; *Trust Companies of the United States, 1922 Edition: Statements of Condition, June 30, 1922*.



money away. In 1927 Evans Woollen stated frankly to the New York Community Trust that as a banker he believed the “community foundation deserves to be regarded as an asset of primary importance.”<sup>56</sup> Notice that he referred to it as an “asset” relative to the bank and not to the community in any way. The community foundation took on the task of locating a beneficiary and handling the philanthropic decisions and exchanges, a time-consuming job that increasingly required specialized skills and information. As a result, “the financial trustee is freed from duties other than the purely fiscal ones which it is best equipped and organized to perform.”<sup>57</sup> This sentiment was reiterated almost 50 years later by Daniel J. Koshland, the first chairman of the Distribution Committee of the San Francisco Foundation, established in 1948. In an interview for an oral history of the foundation, he recalled that “we heard from banks whose trust departments came into funds to go to charitable organizations, that they had no way of knowing where those funds should go. Bank officers are not particularly cognizant of the various needs of the community.”<sup>58</sup>

## **Conclusion**

This research shows that trust companies came into being and flourished because they filled a gap in public need. There was no place for middle-class people to have savings accounts and safety deposit boxes for their valuables,

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<sup>56</sup> Evans Woollen, “Speech before the New York Community Trust,” April 6 1927. Copy of Speech, Woollen Collection, Indianapolis, Indianapolis Marion County Public Library/ The Indianapolis Room Archive.

<sup>57</sup> Woollen, “Speech before the New York Community Trust.”

<sup>58</sup> Gabrielle Morris, “Bay Area Foundation History, Volume III: Daniel J. Koshland: Responding to the Flow of New ideas in the Community,” in *Bay Area Foundation History Series* (Berkeley: Regents of the University of California Berkeley, 1976), 2.

including wills, because only the wealthy elite and corporations were given access to the banks of the day. Even if they had been accessible, they would have been seriously mistrusted by the general public. It is no accident that these new entities decided to call themselves “trust” companies, as trust was what they were selling to a very skeptical clientele.

Lawyers, many of whom were serving as state legislators and who were self-interestedly impeding the creation of trust companies, looked upon them and their founders as parasites of the bereaved, scoundrels who lacked ethics and charlatans who practiced law without a license. These beliefs were especially held by lawyers who specialized in wills and administered estates. They saw the trust company as a devious competitor, neglectful of their clients’ needs in pursuit of profit. Even lawyers who were employed by trust companies were held in contempt by other lawyers. Unable to convince the old guard of the legal establishment that trust companies meant them no harm, trust company officers targeted young lawyers for recruitment who had little experience and no established legal practice. Eventually, as bankers and lawyers saw the mutual financial benefit of working together, these claims of a lack of ethics and character faded away. These professionalizing business elites had found common ground, and now they increasingly controlled estate philanthropic giving as a profitable partnership.

Even bankers themselves did not like the concept of trust companies because they saw them as threats. Eventually, as trust companies gained assets, bankers became envious of their success and wanted in on the profits. As a result,

in the early 1900s banks were given the legal right to establish their own trust departments. This in turn forced the trust companies to market themselves more aggressively to the public. One of those marketing schemes was to become attached to community trusts such as the Indianapolis Foundation in order to increase their public repute and win the confidence of new clients who would in turn entrust them with their fortunes and wills.

The genius of this arrangement was that neither the trust companies nor their leaders were required to invest one philanthropic dime into the foundation, save for a few that did so voluntarily, such as the Harris Trust in Chicago. We will see in the following chapters the utter lack of financial commitment made by the trust companies and the founders of the Indianapolis Foundation. These were the very people who touted what a great philanthropic boon this would be to the community, claiming how important the community's welfare was to them and their trust companies. In reality, this was a great and inexpensive public relations ploy benefitting the reputations of the trust companies, enriching them and making their presidents look generous while sparing them from any deep, personal charitable investment in their communities.

Additional profit motives existed as well beyond the obvious increase in trust customers due to this exclusive association with the community trust. First, unlike "Dead Hand" trusts that could no longer be administered, trust company agents could charge fees every time the funds were handled within, or dispersed from, an active trust. Second, the officers would no longer need to embroil themselves in the costly and time consuming legal proceedings of *cy pres* in order to change the philanthropic intent or

beneficiary of a private trust. Third, trust companies were relieved of the difficult task of locating a beneficiary or deciding the best use of the funds in the community, which again cut their costs and increased profits. Finally, it satisfied the state examiners who not only inquired what they were doing with the trust funds, but whether they were financially solvent. In other words, they made certain they were charging adequate fees to ensure they would survive economic upheaval. These influences lead us to a new understanding of the motivations that led trust companies to exclusively create community foundations, rather than be established by individual donors, lawyers in charge of trusts, private foundations, banks, or any other entity. All of the factors above not only ensured that trust companies would survive, but that they would thrive beyond expectation. I suggest that the combination of a loss of fees for distribution, the legal expenses of invoking *cy pres*, the strictness of state regulators, increased competition from banks and other trust companies in 1915, and the concern over how trust companies were perceived by the public were much stronger incentives for creating community foundations than the reason most cited: corporate benevolence initiated by community-minded wealthy businessmen. To begin to fully understand the relationship between trust companies and community foundations, it is imperative that we become better acquainted with these powerful, wealthy elite white men who started them and their motives for doing so, which prove to be both self-serving and benevolent.

### **Chapter 3: The Formative Years: An Introduction and Overview of the Indianapolis Foundation's Early Years of Inactivity, 1915-1923**

According to the Encyclopedia of Indianapolis, Evans Woollen, Sr., president of the Fletcher Savings and Trust Company, developed the Indianapolis Foundation. Woollen was a friend of Judge Frederick A. Goff, the banker who started the first community foundation in Cleveland in 1914. Woollen and Attorney Henry H. Hornbrook together generated the impetus to start the Indianapolis Foundation.<sup>1</sup> The “Resolution Establishing the Indianapolis Foundation” is dated January 5, 1916. It was chartered by three Indianapolis financial institutions and their board secretaries: Fred K. Shepard of the Fletcher Savings and Trust, C.H. Adams of the Indiana Trust Company of Indianapolis, and Ross H. Wallace of the Union Trust Company of Indianapolis. The resolution stated that all three banks were to “accept and administer gifts and bequests which shall constitute the Indianapolis Foundation.”<sup>2</sup> This meant that the trust companies would retain control of the trust funds in their respective banks while the foundation administered the income from each fund. In essence, the foundation held no assets at all and was merely an instrument of the for-profit trust companies. The income channeled to the foundation was to be disbursed on the written orders of the six-person board of trustees. No more than two trustees could be affiliated with the same “religious body.” In theory, two trustees each were appointed by the mayor of Indianapolis, the Judge of the Marion County Circuit Court and the Judge from the United States District Court.

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<sup>1</sup> *The Encyclopedia of Indianapolis*, Robert G. Barrows, David J. Bodenhamer, David G. Vanderstel (Bloomington: Indiana University Press, 1994), s.v. “The Indianapolis Foundation,” 780.

<sup>2</sup> “Resolution Establishing the Indianapolis Foundation,” 1916. Indianapolis Foundation Records, 1916-2000, Mss 049, Indianapolis, Ruth Lilly Archive, IUPUI.

However, the trust companies themselves continually suggested the trustees, and the mayor and judges rubber-stamped these suggestions. This cozy arrangement allowed the for-profit trust companies even more control over the functions of the foundation largely created for the companies' own economic benefit.

### **Biographical Information on Presidents of the Three Original Trust Companies**

In addition to Woollen, the other driving forces behind the establishment of the Indianapolis Foundation were the presidents of two additional trust companies. Woollen convinced John P. Frenzel, president of the Indiana Trust Company, and John H. Holliday, president of the Union Trust Company, to join him in establishing the first community foundation to be chartered by multiple, profit-taking trust companies. Woollen's trust company was the result of the merger of several other trust companies, but, as revealed in the previous chapter, the movers and shakers in the trust business were Holliday and Frenzel. It would stand to reason that Woollen would enlist their participation because they led the two largest trust companies in Indianapolis and their stamp of approval would carry more weight with potential donors. To judge whether the motives for establishing the Indianapolis Foundation came out of bankers' self-interest and self-dealing, or from their real sense of community service, a careful look at these men is helpful. Their actions indicate a primary concern for their own profiteering and competitive status seeking among a fractious Indianapolis business elite. Not only were these three among the business elite, they were also listed among the social elite in the

Indianapolis “Blue Book” of 1913.<sup>3</sup> Like the charitable benefactors of the rising elite of Turin, Italy during the eighteenth century, “Involvement in charities became a symbolic statement of the social success and mobility which one had achieved – a vehicle for social competition between families and between individuals.”<sup>4</sup>

**J. P. Frenzel, President of the Indiana Trust Company**



Figure 2: Photo of John P. and Phillipine H. Frenzel on a grand European holiday in Vienna, 1928

Source: Courtesy of the Ruth Lilly Special Collections, IUPUI Library, Indianapolis

<sup>3</sup> *The Indianapolis Blue Book: Containing the Names and Address of Prominent Residents, Arranged Alphabetically and Numerically by Streets; also Ladies' Maiden Names, Receiving Days and Other Valuable Social Information, 1913* (New York: Dau Publishing Company, 1913).

<sup>4</sup> Sandra Cavallo, *Charity and power in early modern Italy : benefactors and their motives in Turin, 1541-1789*, Cambridge history of medicine (Cambridge ; New York, NY, USA: Cambridge University Press, 1995), 129.

John P. Frenzel II (1855-1933), president of the Indiana Trust Company, was born in the prosperous commercial and port town of Madison, Indiana on December 21, 1855. He lived most of his life in Indianapolis. It is clear that he had above average intelligence, because after studying at the Indianapolis German-English School, at the age of 11 he matriculated to Northwestern Christian University (currently Butler University) as its youngest student.<sup>5</sup> One of his earliest jobs was as a shoe clerk in downtown Indianapolis and at the age of twelve he became a messenger boy for the Merchants National Bank. He remained there for several years, moving up through the ranks. At the age of 28 he became the president of the bank, replacing Volney T. Malott, his long time mentor and boss. Frenzel also served as treasurer of Marion County and was appointed a member of the Indianapolis School Board.

He later served as treasurer of both the North American Saengerbund, a singing group, and the Indianapolis Anti-Prohibition League. His reason for opposition to prohibition was explained by his seat on the board of directors of the Indianapolis Brewing Company, serving as its secretary.<sup>6</sup> This position put him at odds with the more progressive and community-minded prohibitionists, such as his future community trust collaborator Evans Woollen, who used notions of higher moral ground to influence others. He was deeply involved in politics with the Democratic Party and was referred to as “an undisputed leader of the Indiana Democracy.”<sup>7</sup> He was one of the founders of what is now the Citizen Gas Company, of which both John H. Holiday and Eli Lilly sat as

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<sup>5</sup> “J. P. Frenzel Sr., Banker, is Dead,” *Indianapolis News*, May 30, 1933, Indianapolis Marion County Public Library, Indianapolis Room, Unprocessed collection.

<sup>6</sup> Max R. Hyman, ed., *Hyman's Handbook of Indianapolis: an Outline History and Description of the Capital of Indiana* (Indianapolis: M. R. Hyman Company, 1897), 289.

<sup>7</sup> Albert Shaw, ed., *The Review of Reviews, Fourteenth Volume*, ed. Albert Shaw, 66 vols., *The Review of Reviews*, vol. 14 (New York: W.T. Stead 1896) , 441.



board directors. He also served on the boards of several other companies including the Indianapolis Railway Company and the Union Traction Company.<sup>8</sup>

A friend of the arts and music, Frenzel became both a patron of and participant in the Indianapolis Maennerchor (trans. German men's choir). He was the main contributor to the erection of the new Maennerchor Hall, built in 1907, and as an accomplished musician he and his wife performed several operas there. One account claims that "His interest in music and the arts was as vigorous as his business pursuits and activities of the Maennerchor often were referred to as 'his children' [and] he occasionally referred to his fellow singers as 'his boys'."<sup>9</sup> This account of Frenzel's relationship with the beneficiaries of his patronage is reflective of the paternalistic attitudes that many philanthropists displayed during this time. Note especially his reference to the Maennerchor's activities as his "off-spring." There is no doubt that Frenzel was the Maennerchor's "angel," especially since he was the main supporter of a new building for the choir. Like many philanthropic acts, these gifts came with strings, such as Frenzel's desire to dominate and control the operations of his beneficiary. In exchange for his financial support he personally demanded and was granted control over membership to the society.<sup>10</sup> This firmly establishes his use of self-serving philanthropy to influence not only the work of an organization, but who could or could not be a party to its benefits. His power extended to partial control of the Metropolitan police department as one of its

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<sup>8</sup> "J. P. Frenzel Sr., Bank Dean, Dies," *Indianapolis Star*, May 30, 1933, Indianapolis Marion County Public Library, Indianapolis Room Archives, Unprocessed collection.

<sup>9</sup> "J. P. Frenzel Sr., Bank Dean, Dies,"

<sup>10</sup> "Shaping the Circle: German-Americans in Indianapolis, 1840-1918," 2007. Indianapolis Maennerchor Records, Indianapolis, Ruth Lilly Archive, IUPUI. (It is also noteworthy that the mayor of Indianapolis and Charles Fairbanks, the Vice President of the United States and Indianapolis Foundation board member, attended the opening of the new hall).

three commissioners.<sup>11</sup> Frenzel was clearly a well-connected man who grasped for, gained and asserted his own power.

Recall that Frenzel was one of the people who persistently lobbied the Indiana State Legislature to allow the charter of trust companies. He succeeded in 1893, and less than a month later wasted no time in becoming president of the Indiana Trust Company, the first trust company in Indiana. He remained president until his retirement in 1925, when he became chairman. A prominent Democrat, he was offered the national office as Controller of Currency by President Grover Cleveland, but he declined. Frenzel was described as “plain spoken, often blunt in his remarks, but widely admired for his qualities. Friends paid him the tribute of having been a bitter antagonist to his foes and a loyal friend to legions of those whose confidence he held.”<sup>12</sup> An example of one of those foes was a man named Herman Lieber, a fellow German. Frenzel and Lieber, who was a prominent businessman and leader of the German Turnverein clubs, had an on-going conflict that was reflected in Frenzel’s refusal to allow the Maennerchor to join or perform at the Turnverein, which after the German defeat in WWI quickly changed its name to the American Turners. As one author stated, “their clash of personalities resulted in a rancor toward one another which might be compared to a Tennessee feud.”<sup>13</sup>

In 1884 Frenzel was a foe of the police department only to later become one of its commissioners in 1913. He testified at a hearing in front of the U.S. Congress that three

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<sup>11</sup> B. R. Sulgrove, *History of Indianapolis and Marion County, Indiana* (Philadelphia: L. H. Lewis & Co., 1884).

“J. P. Frenzel Sr., Banker, is Dead,”

<sup>12</sup> “J. P. Frenzel Sr., Banker, is Dead,”

<sup>13</sup> George Theodore Probst, *The Germans in Indianapolis, 1840-1918*, ed. Eberhard Reichmann (Indianapolis: German-American Center and Indiana German Heritage Society, 1989), 95.

Republicans on the police force prohibited German Democrats from voting during the congressional race of 1882 between William E. English and Stanton J. Peelle. This was evidence of a close relationship between Frenzel and English, who was a Democrat and who would eventually will a large amount of his estate to the Indianapolis Foundation. Frenzel testified that because there was such a difference in appearance between Republican and Democrat voting tickets, the three Republican policemen overseeing the voting box could identify the Democrats before they voted, harassing them to keep them from casting their vote. In one exchange, the lawyer for Peelle asked Frenzel in an accusatory way if he was so much an expert in paper that he could tell a noticeable difference between Republican and Democratic voting tickets. To this Frenzel replied, “Only the knowledge that the handling of a great deal of paper in the kind of business I am engaged in would give me.”<sup>14</sup> Because Frenzel was a well known and respected businessman in Indianapolis, no doubt his testimony carried great weight with the elite members of Congress, so much so that the disputed congressional election was reversed.<sup>15</sup>

In 1891 a movement ensued to establish a new city charter which included an Indianapolis Board of Public Works to enforce city statutes. Opponents and supporters of the bill quickly formed. One organization that supported this move was the Commercial Club of Indianapolis. Its president, J. K. Lilly, appointed Frenzel the chairman of a committee of twenty-one influential leaders “to cooperate with the members of the General Assembly representing Indianapolis in urging the enactment of bills in the

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<sup>14</sup> “Miscellaneous Documents of the House of Representatives for the First Session of the Forty-Eighth Congress, 1883-1884: Volume 10,” United States House of Representatives (Washington, DC: Government Printing Office, 1883-1884).

<sup>15</sup> Biographical Directory of the United States Congress, 1774-Present, in the Legislative Resource Center, House Library, <http://bioguide.congress.gov/scripts/biodisplay.pl?index=E000190> [accessed December 29, 2009].

interest of the city.”<sup>16</sup> In essence, to lobby with strength in numbers in order to increase the magnitude of this business influence. In this instance, however, Frenzel was now pitted *against* William E. English, who did not like the power that such an agency would wield. This may well have been Frenzel’s training ground for his successful lobbying to convince the legislature to establish trust laws in 1893. In addition, this is an example of Frenzel’s relationship with the Lilly family, which played an important role in the establishment of the Indianapolis Foundation.

When the measure was introduced in the Indiana House, English was called upon to state his opposition, but he replied that “there had not been sufficient notice, nor sufficient opportunity to examine the charter.”<sup>17</sup> Frenzel rebutted his excuse, stating that the charter or its synopses had been published in several Indianapolis newspapers.

Republicans were determined to make this a political failure for Democrats, or at least to get them to make changes and concessions. While some Democrats, like English, had serious concerns, Frenzel must have known the Democrats did not want to suffer the defeat of a bill that was supported by many in the party, now a majority in the State house. Exerting his power and influence, Frenzel declared that if there was any compromise, then he would resign from the committee. He held his ground, insisting that the Democrats would have to “put it through as is or lose it altogether.”<sup>18</sup> After more debate it passed and the Board of Public Works was created. This again underlines Frenzel’s strategic engagement in power-politics.

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<sup>16</sup> Dunn, *Greater Indianapolis: The History, the Industries, the Institutions, and the People of a City of Homes*, 316.

<sup>17</sup> Dunn, *Greater Indianapolis: The History, the Industries, the Institutions, and the People of a City of Homes*, 317.

<sup>18</sup> Dunn, *Greater Indianapolis: The History, the Industries, the Institutions, and the People of a City of Homes*, 320.

Being of German heritage, Frenzel's prestige and power diminished significantly after 1917. World War I became a tragic, crucial turning point for much of the German population of Indianapolis. Before the war, J. P. Frenzel was one of the prominent businessmen who signed a letter to Senator John W. Kern protesting that Woodrow Wilson was threatening to end diplomatic relations with Germany. They reasoned that Germany had not broken any international laws and that it would not intentionally "commit any avoidable act that would bring ill will in America."<sup>19</sup> These correspondents felt that Germany had not done anything that "could be construed as an attack upon our national honor."<sup>20</sup> At the same time, the 800-member German Democratic Club of Indianapolis urged that the U.S. avoid severing "the peaceful and neighborly relations" that existed between the two countries.<sup>21</sup> It should be noted that the U.S. entered the war against Germany in April of 1917, only 14 months after the creation of the Indianapolis Foundation. The aftermath of the war had a devastating effect on German groups and citizens in America, so much so that in Indianapolis:

The name of "Das Deutsche Haus" was dropped and changed to "Athenaeum." The Maennerchor temporarily dubbed itself "The Academy of Music," and the German lettering on the front of Trinity Lutheran was changed to English. These efforts to placate the rest of the community paid dividends, for there were no public demonstrations against the Germans in Indianapolis as there were in other cities.<sup>22</sup>

Given the atmosphere after 1917, it would be reasonable to assume that the influence and power that J. P. Frenzel once wielded as a proud American of German

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<sup>19</sup> Probst, *The Germans in Indianapolis, 1840-1918*, 148.

<sup>20</sup> Probst, *The Germans in Indianapolis, 1840-1918*, 148.

<sup>21</sup> Probst, *The Germans in Indianapolis, 1840-1918*, 149.

<sup>22</sup> Probst, *The Germans in Indianapolis, 1840-1918*, 153.

ancestry declined to some degree. As he was a founder of the Indianapolis Foundation, this could also be one reason why no trusts were committed to it until 1920. He died on May 29, 1933, at the age of 77, in the depths of the Great Depression. The friendship and admiration of Evans Woollen was evident when he spoke of Frenzel's actions as a banker during the early months of that that crucial Great Depression year:

Mr. Frenzel was the most notable figure in Indiana banking. His remarkable qualities were seen at their best during the troubled months of February and March. The condition of his own banks then being such that a smaller man might well have been indifferent, he unhesitatingly concerned himself for the welfare of banking throughout the city and the state. It was a handsome performance in leadership and will be remembered as the crown of his admirable career.<sup>23</sup>

At his death, Frenzel's estate was valued at \$790,000 [CD \$11,449,275].\* The Maennerchor received a posthumous gift from Frenzel of \$10,000 [CD \$144,927]. He also left money to three orphans' homes. After giving several of his relatives varying amounts, he bequeathed his home, its contents and a trust of \$500,000 [CD \$7,245,376] to his wife, Phillipine. From this trust each year she could draw \$24,000 [CD \$387,826]. Under these terms, she could dispose of two-fifths of the trust, but the rest would be held in trust by John P. Frenzel Jr., the testator's nephew, and the Indiana Trust Company to be used to support male chorus singing in Indianapolis. This remainder would have amounted to \$300,000 [CD \$4,347,826] to be used to support such organizations as the Maennerchor. However, it was not specified that this money be disbursed through the

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\* All dollar amounts have also been converted to 2004 Constant Dollars [CD].

<sup>23</sup>"J. P. Frenzel Sr., Bank Dean, Dies."

Indianapolis Foundation.<sup>24</sup> His will was legally challenged by his family and eventually broken, causing financial problems for the Maennerchor, which was counting on a substantial share of his estate. The organization eventually lost its building, which eventually became a nightclub, the location of which was sold to Indiana University 1946 to house the IU Law School. With J. P. Frenzel no longer calling the shots, the Maennerchor formed an association with the American Turners Athenaeum in 1936.<sup>25</sup> Most important to this study is the fact that Frenzel left absolutely nothing to the Indianapolis Foundation, which he helped create. Despite his generosity to other organizations Frenzel did not make a personal donation, even posthumously, to the community foundation he helped create to improve the collective welfare of the city and the citizens who made him rich.

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<sup>24</sup> “Frenzel Provides for Maintenance of Male Chorus by Large Bequest,” *Indianapolis Star*, June 6 1933, Indianapolis Marion County Public Library/ Indianapolis Room Archives, Unprocessed collection.

<sup>25</sup> “Abstract,” 2007. Indianapolis Maennerchor Records, 1840-1918, Indianapolis, Ruth Lilly Archive, IUPUI.

## John Hampden Holliday, Founder and President of the Union Trust Company



Figure 3: Photo of John Hampden Holliday in his office

Source: Courtesy, the Lilly Library, Indiana University, Bloomington, Indiana

John Hampden Holliday was born in Indiana on May 31, 1846. His father was a theologian and Presbyterian pastor. John Holliday attended Butler University for four years, but left and received a BA in Liberal Arts and a Masters in Liberal Arts from Hanover College. He subsequently received an Honorary Doctor of Law Degree from Wabash College.<sup>26</sup> He became a member of the Phi Gamma Delta fraternity on May 13,

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<sup>26</sup> Nancy L. Barnard, Ball State University, 1980, Indiana Journalism Hall of Fame, DePauw University Library Archives.; "John H. Holliday: 33°, Ancient Accepted Scottish Rite," *The Indiana Freemason*, November 1981, Indianapolis Marion County Public Library/ Indianapolis Room Archive, 21.



1864 and graduated in June of that year at the age of 18.<sup>27</sup> Holliday also served on the Hanover Board of Trustees from 1876 until his death in 1921.<sup>28</sup> After graduation in 1864 Holliday enlisted in the 137<sup>th</sup> Indiana Infantry during the Civil War. Upon returning from the war he became a reporter for the *Indianapolis Sentinel*, and in 1869 at the age of 23 Holliday founded the *Indianapolis News*. He ran it until he retired in 1892, shortly before he founded the Union Trust Company in 1893. He married Evaline M. Rieman in 1875 and they had five daughters and two sons, one of whom, John H., Jr., was killed in World War I. Using his talents as a newspaper man several years later, Holliday authored Indianapolis and the Civil War, published by the Indiana Historical Society in 1911.<sup>29</sup>

Of significance to this study are the number of charitable and civic organizations Holliday helped found and where he also served as a leader and board member. He was an organizer for, and eventually the president of, the Immigrants Aid Society and the Society of Indiana Pioneers, a member of the State Board of Charities and the Indianapolis Literary Society, served as the president of the Indianapolis Charity Organizations Society for more than 20 years and was an elder of the First Presbyterian Church.<sup>30</sup>

It is clear that Holliday was committed to philanthropic causes and believed in public service and civic engagement. In fact, his generous character was emphasized by a tribute in his obituary by the Union Trust Company which expounded on his honest

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<sup>27</sup> Arthur D. Cutler. "Tau Celebrates Diamond Jubilee Seventy-five Years of Uninterrupted History are Rounded Out by Chapter at Hanover College." Original article 1894. Reprint in *The Phi Gamma Delta*, Volume 61, Number 6, April 1939, 571-578.

<sup>28</sup> William Alfred Millis, *The History of Hanover College From 1827 to 1927*, Hanover, Indiana: Hanover College, 1927.

<sup>29</sup> "John H. Holliday: 33°, Ancient Accepted Scottish Rite," 21.

<sup>30</sup> "John H. Holliday: 33°, Ancient Accepted Scottish Rite," 21.

character and unquestionable integrity, adding that “such mistakes as he made, if mistakes they were, grew out of his generosity of nature, his sympathy with the unfortunate, his desire to help those who were not always financially responsible, and who through disappointment in their expectations were unable to keep their promises.”<sup>31</sup> However, he also took advantage of business opportunities when they arose and did not hesitate to use the *Indianapolis News* to his financial advantage. For instance, since utilities were municipally owned there was public resistance to the creation of a private corporation to supply gas to the city of Indianapolis. Many powerful people were against it, but Holliday used his considerable reputation and clout to champion the idea and it was accepted. Not surprisingly, Holliday, John Frenzel and Eli Lilly were all appointed to the board of this new gas company owned by 4,000 citizens who invested as stockholders.<sup>32</sup>

Being a devout Presbyterian, John Holliday was a high-ranking elder of the church and this association strongly informed his views on philanthropy. The First Presbyterian Church of Indianapolis was filled with members of the wealthy elite, such as President Benjamin Harrison and Vice President Thomas R. Marshall.<sup>33</sup> Speaking to this distinguished and wealthy congregation in 1911, Holliday’s words gives us some insight into his religious thoughts on wealth, giving and charity:

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<sup>31</sup> “Holliday Funeral to be Monday Afternoon,” *Indianapolis News*, October 22, 1921, Indianapolis Marion County Public Library / Indianapolis Room Archive, Unprocessed collection.

<sup>32</sup> Alfred F. Potts, “A Successful Substitute for Municipal Ownership,” *The American Monthly Review of Reviews: an International Magazine* July-December, 1899, Vol. 20, 576-578, University of Michigan.

<sup>33</sup> J. T. White, *The National Encyclopedia of American biography: being the history of the United States as illustrated in the lives of the founders, builders, and defenders of the republic, and of the men and women who are doing the work and molding the thought of the present time* (University Microfilms, 1967), 118.

One of the plainest teachings of the Word of God is the obligation of stewardship. Over and over again it is enjoined upon man as a duty under all circumstances. We are to give not only our substance, but our time, our talents. God claims all. They are His gifts to us. What He entrusts to us is to be used for His Kingdom, His glory. *With these commandments go promises of rich rewards that are received by those who obey, as myriads here and above can attest.* The systematic giving that the tithe compels is full of blessings. It gives one the ability to have something always for a deserving object. It cuts out the roots of selfishness. It nourishes the virtues of brotherly love and helpfulness. It realizes the privilege of being a co-worker with God, and it creates that cheerfulness in the giver that makes God love him. How wonderful that we can endear ourselves to the great God in such a simple way. How wicked and foolish if we do not [emphasis added].<sup>34</sup>

Holliday's charitable beliefs that the wealthy should assist those who were less deserving did not extend to the idea of the wealthy paying taxes to the government in order to help the less fortunate. Holliday did not like taxes, but if he had to pay them he wanted to make sure that he and other elites were not paying more than those with less income. In 1913, for example, he complained that the exemption from federal income tax was placed at \$4,000 per family, meaning that those who made \$4,000 [\$77,000 CD] or less per year would not be required to pay. He considered "the high exemption a menace to the country and the beginning of class legislation worse than protection."<sup>35</sup> He felt that the exemption should be \$800 [\$15,000 CD] for single men and \$1,200 [23,000 CD] for those who were married. Like the wealthy of today, Holliday was vigilant in his belief that the middle and lower middle classes should not get any financial relief at the expense of wealthy elites like himself.

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<sup>34</sup> George W. Brown, ed., *Gems of Thought on Tithing by Ministers and Laymen of All Denominations, Second Edition*, Second ed. (Cincinnati: Jennings & Graham, 1911), 23.

<sup>35</sup> "Mr. John H. Holliday on Class Legislation," *Indianapolis Medical Journal* 16, no. 1 (1918), 133.

Holliday was so resistant to the redistribution of wealth through taxes, especially those that reduced the amount of money that could be put into trust, that he challenged the Indiana State Board of Tax Commissioners' attempt to legislate a tax on life insurance policies. The case went all the way to the Indiana Supreme Court, where it was ruled that current law did not allow for such taxation. Holliday had won, but the governor of Indiana disagreed with the decision, stating that men who held life insurance policies were not poor men, but elites who often used these policies as business tools and investments. Once again, Holliday railed against the taxing of the wealthy elites in order to distribute their riches to services that would improve the lives of other Hoosiers.<sup>36</sup>

Holliday was also a committed Free Mason for most of his life, ascending to the 33<sup>rd</sup> Degree of the Scottish Rite. In a rare glimpse of his views on the Masons and their role in helping their fellowman, he addressed his Masonic brothers and compared their organization with the Christian Church. The address was given in 1917, at the beginning of World War I. Part of his speech is quoted at length because it represents Holliday's deepest thoughts about a variety of subjects pertinent to this study, such as Christianity, the treatment of others, charity, good will and the responsibility of the individual:

I have been a Scottish Rite Mason for forty-six years, with fair opportunities for observation and comparison, and I have no hesitation in saying that, in my opinion, Masonry has made as great an advance in its real life and spiritual as in its material aspects. These are the two sides of life, the spiritual and material. We share the latter with the beasts that perish, but the former is solely the attribute of man, made in the image of God. Masonry is a spiritual system whose teaching is veiled in the symbolism of material objects, in the study of which men may go from lower to higher things in the development of their characters and their relations to their fellow men. Some have done this in all ages, but they have been the few and not the many. You know and I know

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<sup>36</sup> "Current Topics," *The Albany Law Journal: a Weekly Record of the Law and the Lawyers* LVII, no. January to July (1898)

that many Masons do not take an intelligent, comprehensive view of the principles of our order. They find pleasure in its companionship and social relations, but they do not get down to the heart of its teachings and translate them into life.

It is the same in the Church. When the war came we heard about the failure of Christianity and the impossibility of its being true if Christian nations could act thus. Not a few persons lost their faith on this assumption. Christianity is not a failure and Masonry is not a failure despite such shallow reasoning. Both mean the same thing, the building up of character, the establishment of peace on earth and good will among men, the universal belief in the Fatherhood of God and the Brotherhood of Man. But both must work and attain their object through our difficult human nature, and results have come slowly. There never has been such a thing as a Christian nation, a nation controlled in thought, purpose and action by the principles of Christianity and applied in all its relations to humanity. When that comes, as it surely will, envy, jealousy, racial prejudice, war and poverty among nations will cease, and peace and righteousness will prevail. The Brotherhood of Man will be confessed and professed by all. Within forty years there has come a great change in the thoughts and dispositions of men. It looks as if the lessons of the past are beginning to bear fruit, fruit that is rich and heavy.

### The New Spirit of Masonry

A new spirit is more prevalent, not coming from new knowledge, but clearer discernment of old truths and a close application of it to life. This is the spirit of service, the conviction that we should be helpful and self-sacrificing, for in that direction lies peace and happiness. There is more feeling that men are brothers and that they must live as brothers, casting out indifference and selfishness. It may be the fancy of an old man, but I see evidence of this through our nation's life and nowhere more than among Masons. [...] We have fallen upon serious times. Without our fault or desire, our nation has been called on to take part in the most gigantic and terrible conflict in the world's history. [...] We believe that our principles are to be the salvation of the world and we will stop at no sacrifices to support them and overthrow opposing forces. [...] Life without our freedom would not be worth

living. This is the doctrine of Masonry and from all quarters comes stern adherence to it. Loyalty to the death.<sup>37</sup>

Holiday's words give us some insight into how he viewed life, his fellow man, and the world in general. He states that most men do not ascend from the lowest to the highest in their pursuits, claiming that the number of men who do so are few. He also believed that in time the United States would become a Christian nation, all human folly would cease to exist, and a new age of the Brotherhood of Man would rise up. While the ultra-patriotic tone of his speech should be interpreted against the backdrop of the start of WWI, it is clear that he feels that both the church and the Masons not only have the power to bring about this new society, but also the divine charge from God.

However, it seems that not everyone viewed Holliday's image as a humble servant of the Lord or great giver of gifts to the less fortunate. Note the editorial cartoon from 1904 shown in Figure 4:

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<sup>37</sup> James Hodge Coddington and Robinson Locker, ed., *Jubilee Year of the Supreme Council of Sovereign and Inspectors general of the 33rd and Last Degree of the Ancient Accepted Scottish Rite of Freemasonry Part 2*, 2 vols., vol. 2 (Whitefish, MT: Kessinger Publishing Company, 2003; reprint, 2003), 125.

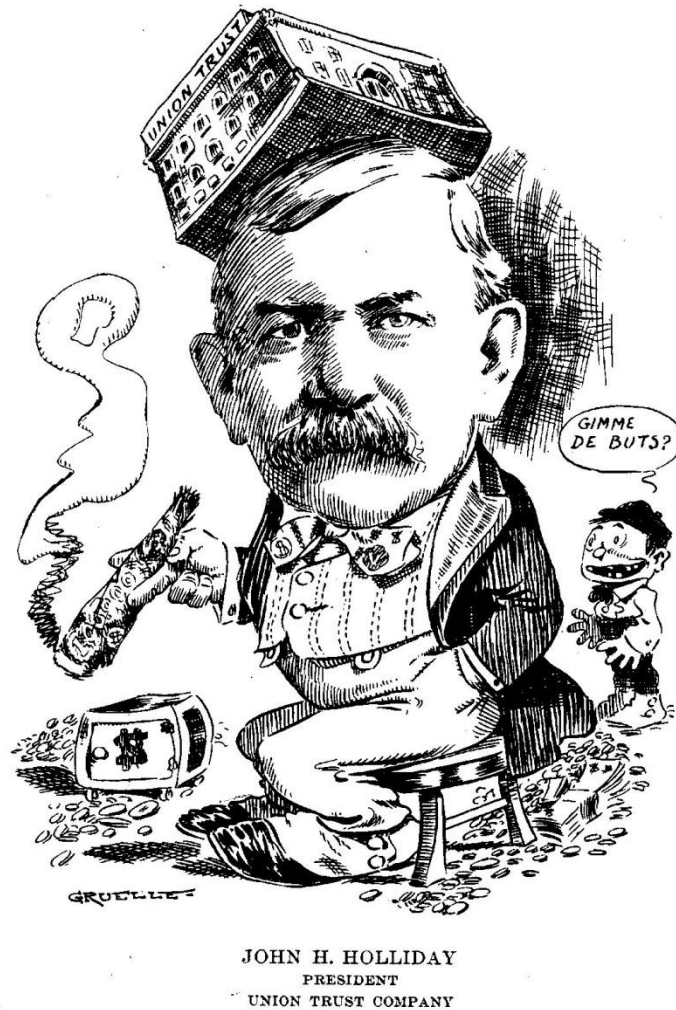


Figure 4: Newspaper editorial cartoon of John H. Holliday, 1904

Source: Indianapolitans “As We See ‘Em,” a collection of newspaper cartoons (1904)

This depiction of Holliday as a corpulent businessman is typical of the era. His back turned to a needy little boy while he sits among a pile of coins in front a bulging safe, smoking a cigar made of cash, while wearing a crown of the Union Trust bank on his head. This was a satirical jab at a philanthropist and civic figure about whom others waxed eloquent. The editors of Indianapolitans “As We See ‘Em,” explain that the cartoonists looked at their public subjects “with a penetrating yet friendly eye” and that they view “ ‘Indianapolitans’ not as their wives and sweethearts see them, nor as they see

themselves, but as they appear to the Little Gods of the Ink Pots – sometimes miscalled ‘Devils’ – the Cartoonists and Caricaturists of the Daily Press.”<sup>38</sup> Given this satirical caricature of the larger-than-life, wealthy Holliday contrasted with the begging working class “little man,” it makes sense that he would want to soften his image as a cold-hearted banker, either real or imagined, by engaging in philanthropic organizations to appear benevolent. This could also partially explain his involvement in the creation of the Indianapolis Foundation in 1916.

Holliday established the Union Trust Company in 1893. He served as its president until 1899 when he resigned to join William J. Richards in establishing the *Indianapolis Press*. It was Holliday, not Frenzel or Woollen, who was one of the founders of the Trust Company Section of the American Bankers Association in 1886. He was the only representative of an Indiana trust company who signed a letter that went out to all of the trust companies in the country suggesting such a section. It began with 114 members in late 1886 and increased to more than 1,400 by 1916, which shows the tremendous growth of trust companies within a 20 year period. Frederick Goff was president of the Trust Company Section in 1914, the same year that his company started the Cleveland Foundation.<sup>39</sup> As Holliday, Frenzel and Woollen were also members of the section, it is plausible that the idea was first floated for a community foundation in Indianapolis through this association during Goff’s presidency. Holliday continued as a director of the Union Trust and returned as its president in 1901. He later became chairman of the board

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<sup>38</sup> J.B. Gruelle W. Davenport, Heitman, R. Scott, and H. McKee, ed., *Indianapolitans “As We See ‘Em”* (Indianapolis: The Newspaper Cartoonists’ Association of Indianapolis, 1904), 13.

<sup>39</sup> Perine, *The Story of the Trust Companies*, 264-266.



and served until 1921.<sup>40</sup> Despite all of his proselytizing of devotion to his fellowman and the common good, John H. Holliday, like John P. Frenzel, left no money to the Indianapolis Foundation.

### **Evans Woollen, President of Fletcher Savings and Trust**



Figure 5: Photo of Evans Woollen

Source: Courtesy of the Ruth Lilly Special Collections, IUPUI, Indianapolis

Evans Woollen was the driving force behind the Indianapolis Foundation during its formation. His attitude toward and beliefs about philanthropy were evident very early in his life. He was born in Indianapolis on November 28, 1864 to a well-to-do lawyer, William Watson Woollen.<sup>41</sup> The first indication of Evans Woollen's views on philanthropy surfaced during the commencement speech he gave when he was voted

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<sup>40</sup> Nancy L. Barnard, Ball State University, 1980, Indiana Journalism Hall of Fame, DePauw University Library Archives.

<sup>41</sup> Paul Donald Brown, ed., *Indianapolis Men of Affairs 1923*, ed. Paul Donald Brown, Portraits and Biographies of Men of Achievement of the Great Indiana Capital (Indianapolis: The American Biographical Society, 1923).

class orator of his graduating class at Yale College. The speech was given on June 28, 1886, and the title that the young Woollen used was “The Dignity of the Mediocre Man.” In his speech he challenged the great writers of his day such as Carlyle, Swift and Galton, calling into question their notions that history is shaped only by a few exceptional men of immense influence. He trumpeted the efforts and impacts of the common man, stating that “there must be great comfort in thinking that however small our influence may be, it cannot be inappreciable. There must be comfort too in thinking that we are part of the past and of the future, part of one great family [...] - a family that struggles arduously as a whole towards a fuller and higher life.”<sup>42</sup>

Yet Woollen also adopted the more scientific approach to charity that was prevalent during that time period, which relied on Darwin’s theory of the “Origin of Species” to advance the notion of superiority achieved by the necessity of the survival of the fittest, even in human society. Woollen supported this notion by criticizing man’s philanthropic efforts to help the weak and less fortunate:

[...] that we live in an age of peculiar resistance to progress is easy to be seen. No species is so little amenable to the improving and progressive law of natural selection as man. He laboriously obstructs nature’s efforts to purge out the dross. Indeed, much of the earnest work of to-day is to secure the survival of the unfittest. All the philanthropies of history are rightly called makeshifts – very necessary and worthy makeshifts to be sure, but none the less makeshift in that they do not give us materially higher quality men.<sup>43</sup>

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<sup>42</sup> Evans Woollen, “Valedictory Poem and Oration, Pronounced before the Senior Class in Yale College, Presentation Day, June 28, 1886,” 1886. Published speech, Woollen Collection, Unprocessed collection, Indianapolis Marion County Public Library, 18-19.

<sup>43</sup> Woollen, “The Dignity of the Mediocre Man,” 19.

He goes on to enforce the importance of physical and social genetics in creating a better society:

A higher endowment of the race at birth is evidently the imperative prerequisite. [...] and it is pitiable that an alliance of equal talents, but unequal social conditions is so abhorred by the same spendthrifts of talent who squander valuable hereditary gifts by marrying a lower natural stamp. *If misalliances of this kind were fewer and philanthropy were for the superior rather than for the inferior the typical center of our civilization would soon be shifted a notch higher* [emphasis added].<sup>44</sup>

Woollen drew a significant line between scientific philanthropy and charity, and clearly preferred investing in the strong rather than prolonging the lives of the weak and socially disadvantaged.

When Woollen ran as a Democrat for president of the United States in 1927, one of his former classmates, Arthur L. Shipman, a Republican, described him as an accomplished speaker and writer, someone who was respected by his classmates and modest in his accomplishments. He was “firm and positive in his character, but he was always kind and sympathetic. He was always thinking of others and not of himself.”<sup>45</sup> However, when it came to his talents for writing and oratory, his modesty gave way to his competitive spirit. After his Yale classmates had voted him class orator, he told Shipman that he was not going to compete for either the Townsend Award for literature or the Deforest Medal for the highest writing and speaking honors because he felt he had been honored enough. After some prodding from Shipman, and in spite of the fact that his classmates had a head start and had been preparing for the competitions for months, he

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<sup>44</sup> Woollen, “The Dignity of the Mediocre Man,” 20.

<sup>45</sup> Arthur L. Shipman, “Evans Woollen Lauded by Yale Classmate,” *The Hartford Post*, May 14, 1927, Woollen Collection, Indianapolis/Marion County Public Library, Unprocessed collection.

buried himself in his room for a week before the contest. Woollen emerged the winner of both awards. Yet this account and others indicate that Woollen was more of an informative speaker than an inspiring one, which could explain why he was well respected by his peers but failed in his bids to run for both senator of Indiana and president of the United States. As Shipman succinctly put it, his addresses “aimed rather to convince his audience than to take them off their feet.”<sup>46</sup> His writing also secured him a job after college with the *Indianapolis Sentinel*, which is significant because both J. P. Frenzel and John Holliday also wrote for Indianapolis newspapers.<sup>47</sup> This meant that all three men understood the power of the newspaper and media to form public opinion, and this knowledge greatly influenced the motivations for the creation of the Indianapolis Foundation, as well as the funding decisions made during its operation.

Woollen went on to also receive a Master of Arts from Yale in 1888, then lived in Wabash, Indiana for a year where he became secretary of one of the natural gas companies. He returned to Indianapolis where he studied law and expanded his business experience. He worked as legal counsel to the Big Four Railroad and also served as an officer of the Commercial Club. In 1896, he married into a well respected political family, choosing as his bride Nancy Baker, the daughter of former Indiana Governor Conrad Baker (1867-1873). Woollen eventually served as legal counsel to the American National Bank and in 1910 became vice-president of the Fletcher American National Bank. It wasn’t until 1912 that his career as a trust company president began with the merger of the German American Trust Company and the Marion Trust Company into the

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<sup>46</sup> L. Shipman, “Evans Woollen Lauded by Yale Classmate.”

<sup>47</sup> L. Shipman, “Evans Woollen Lauded by Yale Classmate.”

new Fletcher Savings and Trust Company. Like Holliday, he was also a Presbyterian who served as an elder in his church<sup>48</sup>

Woollen proved to be civic minded during WWI, volunteering to sit on the Indiana State Council of Defense, as well as serving in federal governmental positions, and as the Indiana chairman of the War Finance Corporation. It is Woollen's volunteer efforts on behalf of charitable organizations, especially arts organizations, that are most pertinent to this study. One source reported that he was president of the Art Association of Indianapolis, president of the Board of Children's Guardians, president of the Charity Organization Society, vice-president of the Community Chest, and a director or member of several other organizations or civic clubs, including the Indianapolis Literary Society and the Dramatic Club.<sup>49</sup> It is clear from these volunteer affiliations with visual art, literature and drama that he personally valued the arts as a community asset and invested his time to further their prominence in the Indianapolis community.

According to several accounts, Woollen came from a long line of staunch Republicans, but became a staunch Democrat.<sup>50</sup> He appeared to hold his own counsel when it came to the issues of the day, and even received plaudits from the Associate Director of the American Civil Liberties Union who thanked him for the frankness of one

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<sup>48</sup> Brown, ed., *Indianapolis Men of Affairs 1923*, 665

<sup>49</sup> Brown, ed., *Indianapolis Men of Affairs 1923*, 665.

<sup>50</sup> Phillip C. Lewis, "Evans Woollen, The Man," *The Delphi Citizen*, October 9, 1926, Indianapolis Marion County Library / Indianapolis Room, Woollen Collection/Unprocessed collection.

of his speeches, stating “All of those who cherish the principle of free speech will, I am sure, feel grateful to you for this service in these difficult days.”<sup>51</sup>

He was obviously well respected on the national political level, as President Wilson once offered Woollen a place on the Federal Reserve Board. Woollen served as chairman of the Economic Policy Committee of the American Bankers' Association; was a “chairman, president or director of a railway, a life insurance company, any number of charitable and welfare associations, a college, an historical society, an art association, a fuel administration and memorials ranging from Benjamin Harrison to James Whitcomb Riley.” As a Democrat, Woollen once ran for Congress in 1896 on the Gold Democratic ticket, and he also accepted nomination to run for Senator of Indiana in 1925.<sup>52</sup>

Woollen was a social progressive, especially when it came to denouncing “bourbondism,” which was the apartheid of the antebellum period.<sup>53</sup> After the Civil War, Democrats in the South rallied against “negro rule” and northern influence, and these Democrats were viewed as heroes by those threatened by the changes wrought after 1865. Bourbondism led to the rise of the Ku Klux Klan, which was particularly active in Indiana politics in the 1920s.<sup>54</sup> Woollen’s position was less racial and centered on class, addressing specifically the often violent struggle between the owners of companies, which the banks served and financed, and unions, which were on the rise. Both the *New*

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<sup>51</sup> Evans Woollen, Letter, by Roger N. Baldwin, February 15, 1924. 1924, Letter from the American Civil Liberties Union. Indianapolis, Indianapolis Marion County Public Library / Indianapolis Room, Woollen Collection/Unprocessed collection.

<sup>52</sup> “Banker-Politician.” *Time Magazine*, Dec. 21, 1925.

<sup>53</sup> Roger McGraw, *France: 1815-1914: The Bourgeois Century* (Oxford UK: Oxford University Press, 1986) The term comes from the powerful bourbon rule of France before the French Revolution and its return with Louis the XVIII in 1814.

<sup>54</sup> R. D. W. Connor, “The Rehabilitation of a Rural Commonwealth,” *The American Historical Review* 36, no. 1 (1930), 44-62.

*York Times* and the *Christian Science Monitor* quoted one of his speeches on the subject when he warned his peers at a 1924 American Bankers Association meeting:

More than anything else, we need understanding. We need understanding between those who have and those who have not; those who employ and those who are employed; those who work with their brains and those who work with their hands. [...] Our contrition is the avoidance of Bourbondism.<sup>55</sup>

He went on to say that bourbondism created conflict between classes and that the bankers needed to be open to free speech and radical ideas, stating that the present institutions could not withstand words spoken against them and that they were indeed in a “bad way.”

Woollen became actively involved in politics, backed by the Democratic Party boss, Thomas Taggart. Taggart supported Woollen for the Senate in 1925, a bid for which he was unsuccessful.<sup>56</sup> He was also backed by Taggart to run for the president of the United States in 1927, but again was unsuccessful.<sup>57</sup> Some of these failures could be due to the fact that he was a supporter of prohibition and was known at the time as “a dry.” He was also a man with very high, unbending principles, stating them boldly regardless of their popularity. In addition, he was at odds with the leadership of New York’s Tammany Hall as was evident in a story about his visit with its leader George W. Olvany. It was suspected that Woollen was expressing his belief to the Tammany power

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<sup>55</sup> “A Banker’s Warning to Bankers,” *Christian Science Monitor*, March 4, 1924, Woollen Collection, Indianapolis/Marion County Public Library, Unprocessed collection.

“Bankers Warned to be More Liberal,” *New York Times*, February 15, 1924, Woollen Collection, Indianapolis/Marion County Public Library, Unprocessed collection.

<sup>56</sup> “Taggart Approves Woollen for Senate,” *The Indianapolis News*, December 10, 1925, Woollen Collection, Indianapolis/Marion County Public Library, Unprocessed collection.

<sup>57</sup> “Woollen Enters Presidential Race,” *New York World*, May 6, 1927, Woollen Collection, Indianapolis/Marion County Public Library, Unprocessed collection.

brokers that only a Democrat who supported prohibition would be electable in the Midwest. Olvany quipped that Woollen was defeated by 22,000 votes in his run as Senator and that “his friends in the Hoosier State think so much of him that they want him to run for President in 1928. He just dropped in to pay a social call. Perhaps he wanted to see whether I wore horns or not.”<sup>58</sup> It is obvious that Woollen had made his unfavorable opinion of Olvany known to all who would listen, insinuating that Olvany was the devil himself.

These elite actors in the creation of the Indianapolis Foundation were not one-dimensional men. Although they were philanthropic in many areas in their life, none of these men left any money to the foundation they initiated and helped create. It seems callous to suggest that their dominant objective was to make money while appearing to be magnanimous and socially sensitive to the public. However, the fact remains that while they and their surrogates were singing the praises of the good that the Indianapolis Foundation could do for the community, they did not chose to create a trust for the foundation after their deaths. Looking at the backgrounds of all three, Evans Woollen appears to have been the most socially progressive, taking stands against bourbondism, advocating for the ability of women to bank, and being a staunch Democrat in a family of Republicans. He also stood for certain principles, such as prohibition, and would not compromise his position for political reasons, no matter what office he sought. Whether or not one agrees with his vision of philanthropy and charity, it has to be acknowledged that he gave the subjects serious thought. His demeanor was stoic and impressive, and he was well respected for his forthright and honest character. However, we must also

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<sup>58</sup> ““Favorite Son” of Indiana Calls on Tiger Chief,” *New York Herald Tribune*, May 11, 1927, Woollen Collection, Indianapolis/Marion County Public Library, Unprocessed collection.



remember that he was a lawyer and banker, and his first loyalty was to making a profit and dutifully serving corporate interests.

When it came to creating the Indianapolis Foundation however, Woollen's trust company was not significant enough to create the kind of substantial foundation to which the larger Cleveland Trust Company had given birth. Strategically he knew that he needed the credibility of the two biggest trust companies, the Union Trust and the Indiana Trust Company. Although both Frenzel and Holliday had philanthropic interests and served on charity organizations boards, when it came to the establishment of the Indianapolis Foundation, profit was a much stronger incentive than community concern. Of course, the positive philanthropic image that a community foundation could generate in the public's mind would have deeply appealed to all three men anxious to stand out honorably in their community. These were powerful men in a small city where reputation was surely important to securing an elevated social status. Like the wealthy of ancient Greece, they understood the unwritten social contract between the elite and the ordinary citizenry to ameliorate the disparity between the haves and the have-nots through perceived acts of giving to the community. The most important point of these brief biographies is that even though these creators of the Indianapolis Foundation were charitable in other areas of their life, they did not see fit to leave any funds to the charitable organization to which they gave birth. This fact alone lends credibility to the assertion that they never considered the foundation an important philanthropic endeavor, and rather used it as a vehicle to create additional business for their trust companies.

The deep personal and professional relationships they shared were also important to the foundation's creation. In addition to all three being part of the "Blue Book"

society, they also sat on the boards of corporations together, such as the railroad and the gas company. Woollen and Holliday were both Masons and both Presbyterian Church elders. All three sat on the boards various charitable organizations, often at the same time, and all three had their favorite charities and causes. All three were active Democrats and no doubt spent many a political fundraiser together. All three had associations with the newspaper business and understood the power of the press and its impact on public opinion since it was one of the few mass communications instruments of the time. These men hand-picked the trustees of the Indianapolis Foundation in order to maintain control over its operation and it is no coincidence that a good deal of attention was paid to ensuring that the foundation's actions were always reported positively by the press during its early years.

### **The Appointment of the Foundation's First Trustees**

The Indianapolis Foundation was established by resolution rather than as a separate corporation by the three trust companies that created it so that they could retain control of the foundation's assets. This also allowed them to act as puppeteers over a cast of "impartially" selected citizens who would comprise the first board of trustees of the Indianapolis Foundation. Supposedly appointed by public officials, these trustees were actually close personal friends and business associates of the presidents of the three trust companies, some of them even serving on the boards of the trust companies. All of these men were members of the elite Indianapolis Blue Book society and as such associated and identified with the wealthy elite rather than the lower classes and their plights. All subscribed to the tenets of Charity Organization Society concepts of charity and

philanthropy as being nothing more than tools to reform what they considered to be the morally, spiritually and intellectually deficient poor.

Although many of the foundation's trustees sat on the boards of numerous state and local charitable organizations, none of them had a realistic understanding as to what community needs were urgent enough to deserve the foundation's funding. Even worse, their support of important local causes was secondary to ensuring that the local press would report favorably on each and every charitable action. This fear of negative public relations coupled with a lack of knowledge about and a sense of urgency toward the community's pressing social problems, were major reasons that the foundation funded nothing for the first eight years of its existence. These cozy relationships among the wealthy elite creators and trustees shaped the early philanthropic actions – or lack thereof – of the Indianapolis Foundation.

To put the first years of the Indianapolis Foundation into the context of its time, it is helpful to understand the creation and growth of community foundations as a whole from 1914 to just before the Great Depression of the 1930s. The philanthropic trend that Frederick Goff pioneered with the creation of the Cleveland Foundation spread rapidly, and within two years twelve other community foundations were formed, including the Indianapolis Foundation. By 1920 there were thirty-eight foundations in existence, a number that grew to seventy-four by the 1931. In less than 25 year, the number of community foundations had increased six-fold.

By 1931 many community foundations were still in their infant stages and little more than half had any trusts to manage at all, let alone funds to distribute. The trust funds committed to these foundations had also increased substantially, from a total of

\$7,000,000 [CD \$73,684,210] in 1921 to \$32,000,000 [CD \$400,000,000] ten years later. This was a very substantial amount of money upon which the trust companies could charge handling and administration fees, as well as earn profits from the trusts' interest. With no investment on their part trust companies had all the advantages, incurring no risk and a constant flow of profit for eternity. Of those foundations with funds in 1930, only thirty of them made cash distributions for charity for a total of \$994,382 [CD \$11,299,795]. Although that is an impressive sum committed to charity during a depressed economy, trust companies didn't do badly either. If they only charged 2 percent for all fees and their cut of the interest, which is probably a low estimate, they would have made \$640,000 [CD \$8,000,000] even during the Great Depression.<sup>59</sup>

The beginnings of the Indianapolis Foundation followed this same pattern of delay in obtaining trust funds for philanthropic use, a necessity to allow those funds time to create enough revenue to be distributed, and the learning curve of what to do with the funds once they were received. In the case of the Indianapolis Foundation, as well as the others that were created between 1914-1919, they also had to weather the protracted, bloody and financially costly World War I.

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<sup>59</sup> *Community Trusts in the United States and Canada: A Survey of Existing Trusts, with Suggestions for Organizing and Developing New Foundations*, (New York: Trust Company Division, American Bankers Association, 1931).

## **The Resolution Establishing the Indianapolis Foundation**

The resolution to establish the Indianapolis Foundation was dated 5 January 1916. There are three significant points to make about both the resolution and the date. First, the foundation was not created as a separate corporation, which would have given the foundation autonomy. It was created as a resolution between the three trust companies. This meant that the three for-profit companies controlled the assets of the foundation. As the resolution stated, the three of them would “undertake each for itself that as trustee it will within the scope of this resolution accept and administer gifts and bequests which shall constitute the Indianapolis Foundation.”<sup>60</sup>

Second, the six members of a “board of trustees” charged with distributing any funds were to be appointed by local power-brokers, including the mayor of Indianapolis, the judge of Marion County Superior Court, and the judge of the United States District Court for the State of Indiana. Each appointed two trustees, with the condition that not more than two could be appointed from the same religious body. The charter did not specify whether the term “religious body” meant different Protestant organizations or different religions, such as Catholic, Protestant and Jewish. Nonetheless, at least one board trustee was Jewish and one was Catholic. It is not a coincidence that this is one of the few conditions on trustee membership when you consider that two of the founders were members of the Masons, an organization that has historically been one of religious tolerance and open to free thought and democratic decision-making. It is also revealing that no bankers were chosen as Indianapolis Foundation Trustees, no doubt the result of the rancor that existed between trust companies and banks. This also indicates a

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<sup>60</sup> “Resolution Establishing the Indianapolis Foundation,” January 5, 1916, Box 1/1, 1. [NOTE: Unless attributed otherwise, all archival documents are from the Indianapolis Foundation Collection at the Ruth Lilly Special Library and Archives at Indiana University – Purdue University, Indianapolis].

substantial level of influence by the trust companies over the selection of the trustees in spite of the illusion that officially the appointments were the choice of Indianapolis political and legal Indianapolis heavy-weights.

The third significant aspect of the foundation's establishment was that the charter was crafted in 1915, the same year that the Indiana State Legislature changed the laws so that all banks could have trust departments. By the time its creation was announced, the trustees had long been chosen and asked to serve. This indicates that the discussion between the three trust companies about creating a foundation had to occur in late 1914 or early 1915, at about the time that Frederick Goff was singing the praises of the Cleveland Trust. Goff's motivation was surely spurred by legislative pressures and apprehension over the changes in Ohio State Law in 1913 that equalized all banks and trust companies and made them subject to the same legal oversight.<sup>61</sup> The Ohio Trust Section of the National Bankers Association was not in place before the law was changed and therefore was not able to organize trust company bankers to lobby against such changes. As a 1913 report by the Trust Section stated, "It is surely not too much to say that if at the outset of that legislation the combined and united thought and action of the trust companies of the country had been made to center upon it, there would certainly have resulted a clearer and more satisfactory piece of legislation."<sup>62</sup> The changes in these laws that ended the monopoly that trust companies held on the lucrative trust business created a level playing field, and threatened the trust companies' profitability. The trust companies needed a new, competitive edge over banks in order to retain and gain trust

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<sup>61</sup> "The State of Ohio Legislative Acts Passed and Resolutions Adopted by the Eightieth General Assembly at its Regular Session which Began January 6, 1913," ed. State of Ohio (Springfield, Ohio: The Springfield Publishing Company, 1913).

<sup>62</sup> "Proceedings of the Forty-Sixth Annual Convention, American Bankers Association," in *The American Bankers Association*, ed. George Lewis (Washington, DC: G. E. Bowerman, 1920).

business. What better way to compete against the despised bankers of the day than for trust companies to create benevolent institutions that would not only bring additional trust business, but would portray themselves as concerned business people as opposed to greedy bankers? As a bonus to the trust companies, the foundations were handed over functions that cost the trust companies time and money, such as administering the trust funds to the beneficiaries. Better still, these foundations could be easily controlled by trust company appointed insider trustees. If we compare the timing of these legal changes with the creation of both the Cleveland Foundation and the Indianapolis Foundation, it is no stretch of the imagination to see that the inevitable competitive threat from banks was one of the major drivers that encouraged trust companies to create community foundations in the early years.

### **The Appointments of the First Board of Trustees**

The three founders of the Indianapolis Foundation and all of the first trustees were listed in the “Blue Book” of local high society in 1913 – even Father Francis Gavisk, a Catholic priest.<sup>63</sup> The Democrat mayor of Indianapolis, Joseph E. Bell, appointed Father Gavisk for one year and Henry H. Hornbrook for four years. Marion Circuit Court Judge Louis B. Ewbank appointed Charles Fairbanks for two years and Josiah K. Lilly to five years. Albert B. Anderson, Judge of the District Court of the United States for the District of Indiana, made the last appointments. Anderson chose Louis H. Levey for three years and Henry W. Bennett for six years. A caveat to this process was that if the mayor or a judge failed to make an appointment within 30 days, the three banks would agree on a

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<sup>63</sup>*The Indianapolis Blue Book: Containing the Names and Address of Prominent Residents, Arranged Alphabetically and Numerically by Streets; also Ladies' Maiden Names, Receiving Days and Other Valuable Social Information, 1913.*

trustee and make the appointment. This, again, was another strategy of control engineered by the founders.<sup>64</sup>

## **Biographical Information on the Trustees**

### **Father Francis H. Gavisk**

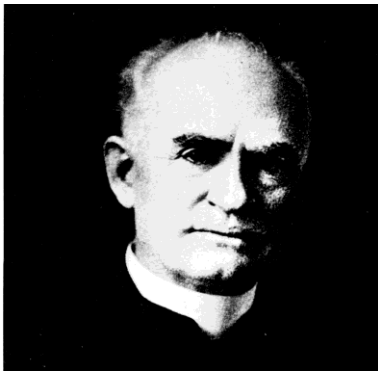


Figure 6: Photo of Father Francis H. Gavisk

Source: Courtesy of Ruth Lilly Special Collections, IUPUI

Monsignor Francis H. Gavisk was assigned to St. John Catholic Church in Indianapolis and eventually became the vicar general and chancellor of the Diocese of Indianapolis. He was closely associated with both Evans Woollen and John Holliday as they all served on the boards of the Indianapolis Red Cross and the Indiana State Conference of Charities and Correction.<sup>65</sup> The social thinking of the religious and wealthy elites in the early 1900s was to lump together those who were impoverished with those who were imprisoned. Many of these leading citizens believed in eugenics, the theory that both poverty and criminality stemmed from failures of character and mental defects that existed amongst the lowly, defects which they believed could be identified by

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<sup>64</sup> Resolution Establishing the Indianapolis Foundation, February 4, 1916, Box 1/1.

<sup>65</sup> *Proceedings of the Thirty-First State Conference of Charities and Corrections* (South Bend, Indiana: The Board of State Charities of Indiana, 1922); Anselm Chomel Merie Cecile, *A Red Cross Chapter at Work* (Indianapolis, 1920).



appearance. It would follow then that the elite believed they were wealthy, fine upstanding citizens not because of being born into social status or because they were recipients of exceptional opportunities and excellent educations, but because they were genetically superior in character and mental faculties.

Gavisk was one of these leading citizens, serving as the Chairman of the Committee on Mental Defectives (CDM), formed in 1915 by order of Governor Samuel Ralston. This committee was under the umbrella of the State Board of Charities and adhered to eugenics principles and sought to control mental illness in Indiana through sterilization of the afflicted. As usual with charitable and philanthropic enterprises, one must discern founders' greatest fears or anxieties before really comprehending their "benevolent" building of institutions. In the case of the CDM, its creators feared contemporary reports that mental illness and degeneracy plagued the Hoosier state, especially in rural areas. Thus, they believed that eugenics had to be enforced to stop Indiana's slide into feeble-mindedness. CDM agents held conferences and presented papers that eventually led to the building of the Indiana Farm Colony for the Feeble-minded at Butlerville. The CDM also inspired legislators to institute sterilization legislation in 1927 for the second time in Indiana's history.<sup>66</sup> Father Gavisk championed these efforts of social-scientific control of the mentally handicapped. Similar preoccupations with policing degeneracy by respectable members of society certainly informed his work at the Indianapolis Foundation.

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<sup>66</sup> Jason S. Lantzer, and Alexandra Minna Stern, "Building a Fit Society," *Traces of Indiana and Midwestern History* (Winter 2007), 4-11.

## Henry H. Hornbrook



Figure 7: Photo of Henry H. Hornbrook

Source: Courtesy of Ruth Lilly Special Collections, IUPUI

Henry Hallam Hornbrook (February 15, 1870-September 20, 1935) was an attorney and civic leader born in Evansville, Indiana. A graduate of DePauw University, Hornbrook also went on to graduate from Harvard Law School. He became an expert in two areas of legal practice: the organization of gas companies (he served on the board of directors of Citizens Gas and Coke Utility for several years) and the constitutionality of government bond issues. He also served as a trustee for Crown Hill Cemetery, Tudor Hall School and DePauw University, and was a long-time board member of the YMCA. Hornbrook served as the president of the Indianapolis Foundation from 1926 until his death in 1935.<sup>67</sup> But it was his seat on the board of the John Holliday's Union Trust Company that guaranteed Hornbrook a deliberative voice as an Indianapolis Foundation trustee.

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<sup>67</sup> Cunningham, Joan. "Henry Hallam Hornbrook." *The Encyclopedia of Indianapolis*, eds. David J. Bodenhamer, Robert G. Barrows and David G. Vanderstel (Bloomington: Indiana University Press, 1994), 710.

## Charles Warren Fairbanks



Figure 8: Photo of Charles Warren Fairbanks

Source: Courtesy of Ruth Lilly Special Collections, IUPUI

The Indianapolis Foundation is never mentioned in the papers of Charles Warren Fairbanks. This could be because Fairbanks died in 1919, three years after his appointment as a foundation trustee. He was quickly replaced by Gustave A. Efroymson and hence had little impact on the foundation's direction or its funding decisions. Like the other appointed trustees, Fairbanks was a member of the social elite of Indianapolis and a well known political figure, even nationally. Born in 1852 near Unionville, Ohio, he moved to Indianapolis to start a legal career representing railroads. This lucrative service soon led to active investment, and Fairbanks became very wealthy at an early age.<sup>68</sup>

Fairbanks also was interested in newspapers, taking an early job with the Associated Press and later acquiring a controlling interest in the *Indianapolis News*,

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<sup>68</sup> L. E. Purcell, *Vice Presidents: A Biographical Dictionary* (Facts on File), 253-258.

which was owned by John Holliday. This, again, emphasizes the close business relationships between the creators of the Indianapolis Foundation and its trustees, who were supposedly chosen by impartial community leaders of unquestionable integrity. Fairbanks became deeply involved in Republican politics and made the keynote speech at the McKinley convention in 1896. In 1897 Fairbanks won election as a senator from Indiana. In 1905 Fairbanks served as vice president to President Theodore Roosevelt. This was, no doubt, a political maneuver on the part of the more liberal thinking Roosevelt to satisfy the staunch conservatives in the Republican party, because Fairbanks represented the more conservative wing. Roosevelt was pressured by Old Guard Republicans who “were insisting that lanky, awful Charles (“Icicle”) Fairbanks be nominated for Vice President.”<sup>69</sup> Fairbanks disagreed with most of the views and policies of the socially progressive Roosevelt, especially when Roosevelt was campaigning for his “Square Deal” government programs aimed at advancing social justice for all Americans, especially the poorest in the country. The tenuousness of this partnership became obvious when Fairbanks flexed his national political muscle when he supported Taft instead of Roosevelt in the 1912 election, which Taft won. The ultra-conservative Republican bent that Fairbanks exhibited gives us an insight into the kinds of trustees the creators of the Indianapolis Foundation sought. These were not men who were known for their social conscience, but were business and political powerbrokers who reflected the beliefs, desires and concerns of the conservative and wealthy Indianapolis elite.

In 1909-1910, after his term in Washington, Fairbanks embarked on a world tour. He lauded the progressive development in Japan and while in Rome, his staunch

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<sup>69</sup> Edmund Morris, *Theodore Rex* (New York: Random House, 2001), 317.

Methodism cost him an audience with the Pope.<sup>70</sup> The photo in Figure 9 shows a gathering at the home of Charles Fairbanks. It is a snapshot of the relationships between the political and philanthropic elites of the day, especially as they are associated with the Indianapolis Foundation. Here, Fairbanks sits front and center with President Roosevelt. Also in the picture is William E. English, who later donated the resources to purchase the building in which the Indianapolis Foundation now resides, and Louis Levey, who was also one of the first Indianapolis Foundation appointed trustees.

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<sup>70</sup> Harlow Lindley Collection, 1790-1914, M 0186 OM 0302, Indiana Historical Society, Box 8.



Figure 9: Photo of President Theodore Roosevelt, Vice President Charles W. Fairbanks, Louis H. Levey, and a large group at Fairbank's Residence, May 30, 1907<sup>71</sup>

Source: Courtesy of the Indiana Historical Society

The group is seated on the lawn. Back row - left to right: Wm. E. English, Lucius B. Swift, Wm. H. Armstrong, Henry Riesenberg, Meredith Nicholson, Roscoe O. Hawkins, Chas. A. Bookwalter, Frank D. Stalnaker, John W. Kern, Charles Remster, Rev. Daniel R. Lucas, Franklin Vonnegut, Dr. P.M. Rixey, Thomas Taggart, Moses G. McLain, Harry S. New, Jeremiah E. Kinney, John J. Twiname, Wm. H. H. Miller, Wm. Loeb, Jr., Chauncey A. Manning, Jesse Overstreet, Joseph A. Minturn, Albert B. Anderson, Addison C. Harris, Louis H. Levey, Ferdinand L. Mayer. Front row left to right: Mrs. John N. Carey, Dr. Mary A. Spink, James Whitcomb Riley, Hon. Albert J. Beveridge, Gov. J. Frank Hanly, Vice President Charles W. Fairbanks, President Theodore Roosevelt, Mrs. Cornelia Cole Fairbanks, James A. Hemenway, R. Adm. Geo. Brown.

<sup>71</sup> Gathering at Charles Fairbanks House, Bass Photo, Indiana Historical Society Digital Collection.

## Louis H. Levey



Figure 10: Photo of Louis H. Levey

Source: Courtesy of Ruth Lilly Special Collections, IUPUI

Louis H. Levey was a publisher, printer and lithographer who published several books during the late 1800s and early 1900s. From the campaign button below it was obvious that he was a Republican, and from the pictures of his business and mansion, he was also very wealthy. In addition to book printing, the company also printed documents for the government. One particularly large printing contract with the Indiana State government in 1895 was backed with financing from John Holliday's Union Trust Company.<sup>72</sup> This clearly demonstrates that Levey and Holliday enjoyed a business relationship that existed for at least 20 years before Levey was appointed an Indianapolis Foundation trustee. Again, Holliday's effort to control the decision-making body of the Indianapolis Foundation is evident by placing one of his best customers among the trustees. What better proxy to have at one's disposal than a person who is reliant on you for financial backing of his business ventures? Further strengthening the relationships

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<sup>72</sup> William D. Owen, *Biennial Report of William D. Owen, Secretary of State of the State of Indiana, Two Years Ending October 31st, 1896* (Indianapolis: State of Indiana, 1896).

between the creators of the Indianapolis Foundation and the appointed trustees, it is important to note that Levey became a prominent member of the Scottish Rite Masonic Order in Indianapolis, just as Woollen and Holliday.<sup>73</sup>

Unlike most of his fellow trustees, Louis Levey did make a gift to the Indianapolis Foundation, contributing more than \$5,000 to the Alfonso Pettis Fund, a fund named after the first donor to the foundation. However, his charity and supposed concern for his community clearly did not extend to his own workers, even those who were injured. In 1893, court documents reveal that Levey and his brother, William, were sued by a sixteen year old employee who had been injured while working on one of the printing presses. The plaintiff claimed that he was not properly trained and was awarded a verdict in his favor. Levey's lawyers appealed the judgment and it was reversed because the judge felt that the employee had enough instruction on the machine and was negligent.<sup>74</sup> As can be seen by the photos included here, Levey and his brother were not poor businessmen and could have well afforded to assist this injured worker. They were the official printers of the Republican Party and lived in grand Indianapolis mansions. To give a more graphic understanding Levey's high standing within the socio-economic elite that created and ran the Indianapolis Foundation, the following pages display images of Levey's businesses, home, and close association with the Republican Party.

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<sup>73</sup> Scottish Rite (Masonic Order) Valley of Indianapolis, Louis H. Levey class: eighty-first annual convocation and reunion, March 19, 20, 21, 22, 1946. Indianapolis, Ancient Accepted Scottish Rite, Valley of Indianapolis.

<sup>74</sup> "Levey et al. v. Bigelow: Appellate Court of Indiana, May 23, 1893," *The Northeastern Reporter, Volume 34: Containing all the current decisions of the Supreme Courts of Massachusetts, Ohio, Illinois, Indiana, Appellate Court of Indiana, and the Court of Appeals of New York*. 34, no. June 9-November 17 (1893).



Source: Photos in Figures 11 through 14 are courtesy of the Indiana Historical Society and the Ruth Lilly Special Collections and Archives at the IUPUI Library.



Figure 11: Photo of Levey Bros. & Company Building, 1916 on the corner of Senate and Ohio, where the Offices of the State of Indiana now reside.<sup>75</sup>

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<sup>75</sup> Levy Bros. & Company, Bass Photo, Indiana Historical Society Digital Collection.

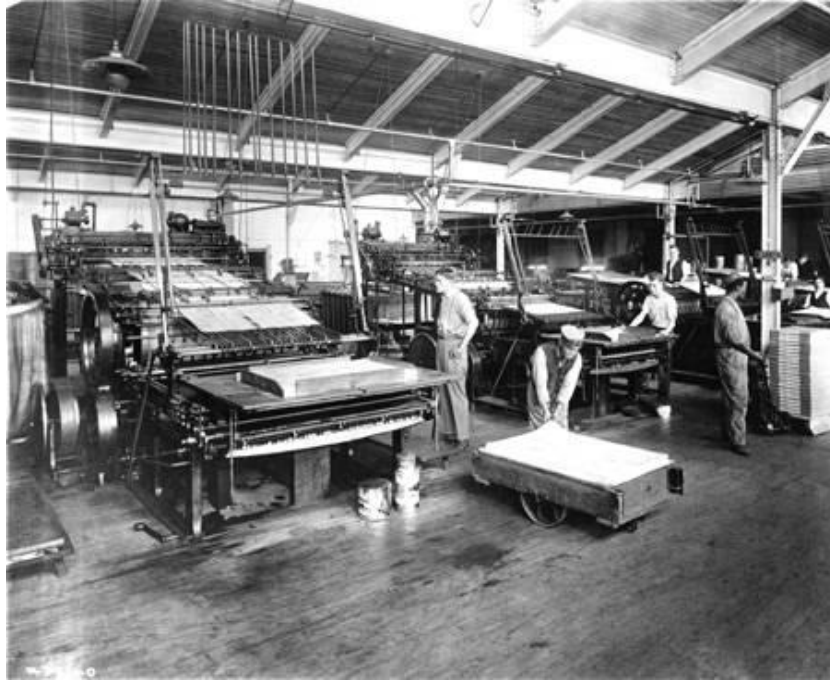


Figure 12: Photo of Levey Bros. & Company Building, interior of printing presses, 1916.<sup>76</sup>

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<sup>76</sup> Louis Levey House, Cambridge, 1905 (Bass #3173), Indiana Historical Society Digital Image Collection.



Figure 13: Photo of Louis Levey Mansion at 2902 N. Meridian St.<sup>77</sup>



Figure 14: Photo of Republican State Convention Button promoting Levey Bros. as “The Republican Printers.”<sup>78</sup>

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<sup>78</sup> Indiana State Convention button during the Spanish American War promoting the battleship “Indiana”, Heritage American Auction Galleries, <[http://americana.ha.com/common/view\\_item.php?Sale\\_No=1083&Lot\\_No=253&src=pr](http://americana.ha.com/common/view_item.php?Sale_No=1083&Lot_No=253&src=pr)>

## Josiah K. Lilly



Figure 15: Photo of Josiah K. Lilly

Source: Courtesy of Ruth Lilly Special Collections, IUPUI

Josiah K. Lilly became a philanthropist long before becoming a trustee of the Indianapolis Foundation. After being elected president of the Indianapolis YMCA in 1907, he announced the efforts to build a new \$250,000 [\$4,800,000 CD] facility. At the same time, he personally committed \$10,000 [\$192,000 CD] of his own money, as well as \$2,000 [\$38,500 CD] from Eli Lilly & Company, where he served as President and CEO after the death of his father and founder of the company, Colonel Eli Lilly. In addition, the company's employees, no doubt "encouraged" by J. K. Lilly, donated another \$1,250 [\$24,000 CD]. This caught the attention of one of Lilly's rival companies, the Daniel Stewart Drug Company, which set off a typical philanthropic competition among elites. The rival's president stated "we can't allow him to build the new YMCA all by himself. He might think he owns it."<sup>79</sup> Such challenges are typical of American

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<sup>79</sup> "Subscribes \$10,000 for New Y.M.C.A. Building: Generous Donation to Fund by Josiah K. Lilly," *The Pharmaceutical Era* XXXVII, no. January-June (1907), 187.

“benevolent” elites who regularly indulge in philanthropy. Using the high-profile philanthropic initiatives as arenas of fierce status competitions, they naturally suspect rivals who use gifts to co-opt power.

The *Encyclopedia of Indianapolis* (1994) presents a bio of J. K. Lilly. In a piece written by an employee of Eli Lilly & Company, it states:

J. K. Lilly’s way of business and his way of life reflected a creed of civic involvement and charity. “Every man should, in addition to his endeavors for personal and family gain and comfort, unselfishly perform some duties as a citizen for the community in which he and others live, move and have their beings,” he once wrote. He was active in the Indianapolis Commercial Club, the YMCA, Red Cross, the Indianapolis Foundation, Crown Hill Cemetery, James Whitcomb Riley Memorial Association, and Christ Church Cathedral. He also served as a trustee for Purdue University and the Philadelphia College of Pharmacy.<sup>80</sup>

Lilly’s civic and philanthropic engagements cannot be doubted. In February of 1917, responding to the threat of possible war in Europe, he made a commitment of \$25,000 [\$368,000 CD] to establish a volunteer Red Cross hospital that would function if war were declared. He made it clear that his commitment would only take effect if war was declared. After the war was declared in April, Lilly and his wife committed another \$15,000 [\$220,000 CD] to the effort.<sup>81</sup> Considering the largesse he demonstrated while serving as a trustee of the Indianapolis Foundation, his lack of financial donation or posthumous bequest to the foundation is even more curious. While wealthy trustees like J. K. Lilly did, by their involvement, encourage other wealthy individuals to create trust funds that would be dedicated to the good works of the Indianapolis Foundation, most of

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<sup>80</sup> *The Encyclopedia of Indianapolis*, Robert G. Barrows and David G. Vanderstel, (Bloomington: Indiana University Press, 1994), s.v. “Josiah Kirby Lilly, Sr,” 913.

<sup>81</sup> Merie Cecile, *A Red Cross Chapter at Work* .

the trustees, including Lilly, did not deem the community good promised by the foundation important enough or credible enough to receive their own support.

There may be a more self-interested reason why J. K. Lilly was appointed a trustee of the foundation. Lilly, like another trustee, Henry Hornbrook, was also a director of the Union Trust Company of which John Holliday was president.<sup>82</sup> Having your directors as trustees of the foundation certainly guarantees decisive control over the foundation's activities and decisions. In 1937, Lilly, along with his sons J. K. Jr. and Eli, created the Lilly Endowment with donated company stock.<sup>83</sup> So once again, it is even more perplexing that J. K. Lilly did not create a trust fund dedicated to the Indianapolis Foundation.

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<sup>82</sup> *Trust Companies of the United States: 1921 Edition*, (New York: United States Mortgage & Trust Company, 1921).

<sup>83</sup> *The Encyclopedia of Indianapolis*, Robert G. Barrows and David G. Vanderstel, (Bloomington: Indiana University Press, 1994), s.v. "Philanthropy," 158.

## Henry W. Bennett

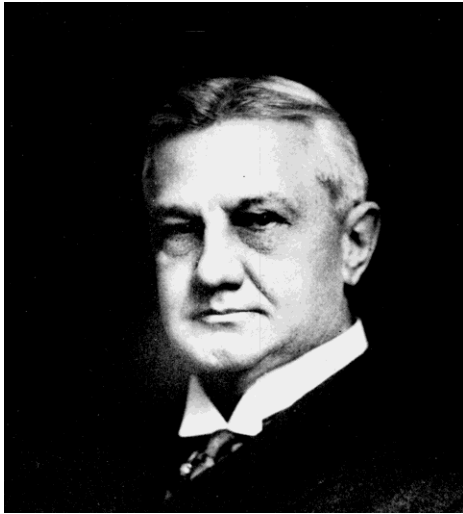


Figure 16: Photo of Henry W. Bennett

Source: Courtesy of Ruth Lilly Special Collections, IUPUI

Henry Bennett was born into the elite of Indianapolis society and business. He was a direct descendant of a Mayflower passenger, Francis Cooke.<sup>84</sup> Born in Indianapolis in 1858, he practiced law in Ohio until returning to Indianapolis to work with in his father's business, the D. Root Stove Company. He became president of both the Indiana Stove Company in 1877 and the State Life Insurance Company in 1907. He "had the mind and manner that would win him respect as being sound and wholesome in any body of men."<sup>85</sup> Starting in 1890, he was active in the local Republican Party and served as the treasurer of the State Republican Committee. From 1905 to 1908, he was appointed and served as Postmaster of Indianapolis and this enhanced his status among the citizenry. As financier Volney T. Mallot stated, "He combines rare executive ability with a judicial

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<sup>84</sup> *The Mayflower Descendant: An Illustrated Quarterly Magazine of Pilgrim Genealogy, History and Biography*, (Boston: The Massachusetts Society of Mayflower Descendants, 1912), Vols. 14-15, 62.

<sup>85</sup> *Commemorative Biographical Record of Prominent and Representative Men of Indianapolis and Vicinity*, (J.H. Beer & Co., 1908), 1184-1185.



mind. He [has a] quick grasp of a complex problem, and facility of expression [...]. He is a man of unquestioned integrity”<sup>86</sup> Men like Bennet enriched themselves by selling vital consumer commodities, like stoves, to a burgeoning Midwestern middle class. Stolidly bourgeois, figures like Bennett came to play increasingly important roles in the funding and distribution of U.S. philanthropy.

### **Gustave Efroymsen**



Figure 17: Photo of Gustave Efroymsen

Source: Courtesy of Indianapolis Monthly Magazine

Gustave Efroymsen was not one of the first trustees of the Indianapolis Foundation, being appointed upon the death of Charles Fairbanks in 1919. However, he did have a significant impact on the decision making from the time funding commenced in 1924 onward. He began a family dynasty at the foundation which continues to this day, passing his trustee position on to his son, Robert Efroymsen, who then passed it on to his son, Daniel Efroymsen, who then passed it on to his widow, Laurie Efroymsen. Although Gustave Efroymsen died a wealthy man, he didn't start out as one.

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<sup>86</sup> *Commemorative Biographical Record of Prominent and Representative Men of Indianapolis and Vicinity*, (J.H. Beer & Co., 1908), 1184-1185.

Originally from Evansville, Indiana, Gustave Efroymson started working in retail at the age of 14 for an Indianapolis dry goods store. At the age of 18, he opened the Star Store with his brother-in-law, Louis P. Wolf. By 1912, he was the president of another retail store, H. P. Wasson & Company. In 1932, Efroymson became president of Real Silk Hosiery Mills. Although Real Silk Hosiery primarily made women's undergarments, it also manufactured parachutes for the military during WWII. Efroymson became quite active in Jewish organizations, such as the Jewish Federation of Indianapolis and the Union of American Hebrew Congregations.<sup>87</sup>

In addition, Efroymson served on charitable boards such as the Red Cross and the Indianapolis Public Welfare Association, which he organized.<sup>88</sup> However, there was another a public welfare organization of which Efroymson was president, the Indianapolis Public Welfare Loan Association, which stated a purpose that reflected the business of a bank more than the mission of a charity. Its purpose was to "loan money, buying and selling promissory notes, bills of exchange, accounts, fees and all other indebtedness and the buying, holding, owning, mortgaging, leasing and selling of real estate and personal property."<sup>89</sup> In fact, this was not a charity that gave money away to improve the public welfare, but a corporation with stockholders that lent small amounts of money at reasonable rates to people who might otherwise fall prey to loan sharks. Most banks lent money only to businesses, therefore loan sharking was one of the few

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<sup>87</sup> Etz Chaim Sephardic Congregation. "Marion County Jewish History," Etz Chaim Sephardic Congregation. Congregation History, [http://www.etzchaimindy.org/PDFs/Marion\\_County\\_Indianapolis\\_History.pdf](http://www.etzchaimindy.org/PDFs/Marion_County_Indianapolis_History.pdf) (accessed April, 2007); John Donald Barnhart, *Indiana, from Frontier to Industrial Commonwealth*, 4 vols., vol. 3 (New York: Lewis Historical Publishing Company, 1954), 115.

<sup>88</sup> Merie Cecile, *A Red Cross Chapter at Work*.

<sup>89</sup> *Indiana Bulletin of Charities and Correction*, March, 92<sup>nd</sup> Quarter, (Indianapolis: The Board of State Charities, 1913), 41.

avenues for individuals to obtain loans.<sup>90</sup> Stock was offered for sale in the new organization, and it appears that this was a precursor to the credit union movement. In essence, Efroymsen became a banker to the lower classes of Indianapolis. Like the creators of the Indianapolis Foundation, Efroymsen's philanthropic efforts to improve the welfare of the Indianapolis citizenry also resulted in personal gain, increasing his personal wealth and public stature.

Public stature was very important to Gustave Efroymsen. He was not only listed in the Blue Book of Indianapolis Society, he was also listed in the National Jewish Blue Book.<sup>91</sup> Not surprisingly, like several of the other trustees, he also had complicated professional connections to the trust companies, and to the banks that had interests in the trust companies, serving on the boards of both the Union Trust Company and the Indiana National Bank.<sup>92</sup> This is further evidence of the dense ties of commercial activity, personal favors, and friendships among the elite and wealthy players who employed such overlapping contacts to control charitable organizations and philanthropic activity in Indianapolis. To Gustave Efroymsen's credit, upon his death in 1946 the Gustave Efroymsen Fund was established, the only early Indianapolis Foundation trustee to do so.

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<sup>90</sup> "Other Municipalities Interested in Loan Plan," *Municipal Journal* 33, (July to December, 1912), 263.

<sup>91</sup> *The National Jewish Blue Book* (Philadelphia: Blue Book Publishing Company, 1927).

<sup>92</sup> Etz Chaim Sephardic Congregation. Congregation History, [http://www.etzchaimindy.org/PDFs/Marion\\_County\\_Indianapolis\\_History.pdf](http://www.etzchaimindy.org/PDFs/Marion_County_Indianapolis_History.pdf) (accessed April, 2007).

## **The Bylaws and Beginnings of the Indianapolis Foundation**

Four of the six board members were required to be present to request funds for disbursement. The trustees alone had the power to decide where these funds would be awarded unless the donor limited the funds to certain uses or a judge decided otherwise.

However, charitable disbursements could only be made in three areas:

[...] a third for the relief of the needy poor and the improvement of living conditions in Indianapolis, a third for the sick and aged in said city and a third for educational and philanthropic research in said city.<sup>93</sup>

Nowhere in this original statement of purpose does it say anything specifically about funding arts and culture. The fact that the Indianapolis Foundation violated its own purpose statement and started funding the arts in 1933 provided the impetus for my original research inquiry about how they justified such a departure from their bylaws at a time when the basic needs of the impoverished and unemployed throughout the community went unmet.

The first meeting of the Indianapolis Foundation trustees convened at 5:00 P.M., January 5, 1916, at the Union Trust Company. Those present were all of the newly appointed trustees, plus Mr. Woollen, president of the Fletcher Savings & Trust, and Mr. Holliday, president of the Union Trust Company. Henry Bennett chaired the meeting and, as its first order of business, the board elected Charles Fairbanks as its first chairman and Henry Hornbeck its first secretary. It was further decided that no less than four trustees

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<sup>93</sup> Resolution Establishing the Indianapolis Foundation, February 4, 1916, Box 1/1, 1.

would form a quorum, and that meetings would be called by either the chairman or by two trustees through the secretary.<sup>94</sup>

In theory, with board terms set at 1, 2,3,4,5, and 6 year intervals, one trustee was to be reappointed or replaced each year. Gavisk was reappointed for one year in 1917 and Fairbanks was reappointed to two years in 1918, but died in June of that year and was replaced by Gustave A. Efroymsen. Louis Levey's original term of three years was extended to a new 6 year term in 1919.<sup>95</sup> This staggered system of appointments no doubt allowed for an uninterrupted flow of like-minded decision-making. It also meant that as each new trustee was appointed, he could be "guided" by the other five remaining trustees. It also allowed for a continuum of control by the three trust companies as it made it easier to hand-pick one trustee at a time from their small but powerful group of wealthy elites than to try to fill all six of the trustee positions at once.

The death of Charles Fairbanks also meant that the chairman's position needed to be filled, and at the 19 November 1919 board meeting, J. K. Lilly was elected chairman until another successor could be elected. The more important business of the meeting was the lack of progress at promoting the foundation and its purpose to the public and to potential donors. The secretary suggested that the trustees call upon the representatives of the three banks "to make some more aggressive effort to revive interest in the Indianapolis Foundation and to stimulate the thought of the community with reference to the foundation and its purpose."<sup>96</sup> Representatives of the three banks were evidently in

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<sup>94</sup> Minutes of the First Meeting of the Indianapolis Foundation, January 5, 1916, Box 1/1, 6.

<sup>95</sup> Appointment of Trustee papers, 1919, Box 1/1, 8-10.

<sup>96</sup> Minutes of the meeting of the Trustees of the Indianapolis Foundation, November 19, 1919, 11, Box 1/1.

attendance because a discussion between them and the trustees was referred to and it was agreed that efforts to promote the foundation was to be executed in the near future.<sup>97</sup>

The trustee terms of shorter years expanded to six-year appointments. Henry Hornbrook's four year term ended in 1920 and he gained a new six year term from an appointment by the new Indianapolis mayor, Charles W. Jewell. In 1921, Judge Harry O. Chamberlin appointed J. K. Lilly to a six year term as well, and in 1922 Henry Bennett was reappointed to a six year term by Judge Anderson.<sup>98</sup> Once these trustee appointments were extended to six years each, the trust companies' control of the Indianapolis Foundation was firmly entrenched, and it was not until the 1990s that control of the foundation's assets were wrestled from their grip.

### **The Early Inactivity of the Foundation**

From 1916 through most of 1920, the foundation was dormant. There was so little activity that it was not even recognized as a functioning foundation by the Chicago Trust. The secretary of the Chicago Trust board, Frank D. Loomis, stated that when he took office in 1919 "there was only one other community foundation in the United States – the Cleveland Foundation, founded in 1914 – and between them they had just a few hundred thousand dollars."<sup>99</sup> The reality was that, in 1919, the Indianapolis Foundation had no funds. This is partially attributed to the fact that no one had yet designated his or her trust to the Indianapolis Foundation, and the three trust companies that created the foundation opted not to donate money from their own coffers. Some may argue that the point of a

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<sup>97</sup> Minutes of the meeting of the Trustees of the Indianapolis Foundation, November 19, 1919, Box 1/1, 11.

<sup>98</sup> Appointment of Trustee papers, 1919, Box 1/1, 12-14.

<sup>99</sup> Loomis, *The Chicago Community Trust: A History of its Development 1915-1962*, preface.

community trust was to be a charitable vehicle for bequests from trust customers in order to help their legacy avoid the dreaded “Dead Hand.” However, other early trust companies of the same period did not wait passively for the trust customers to establish charitable trusts for their respective community foundations. For instance, the Harris family of the Harris Trust and Savings Bank in Chicago, donated \$600,000 [\$10.3 million CD] between 1915-1917.<sup>100</sup> The fact is that all three of these “charitably minded” Indianapolis trust companies and their executives could have made a similar donation to the Indianapolis Trust company, but failed to do so.

In their defense, it must be taken into consideration that the Indianapolis Foundation was established in early 1916, during a financially and politically tumultuous time in U.S. and world history. World War I started in Europe in 1914 and raged fiercely through 1916, and by April of 1917, the United States was officially a full combatant. Most contributions to the few community trusts that did exist slowed to a trickle as funds were needed for the war effort, and this economic reality extended well into 1919. Rather than actively pursuing charitable trust customers, the trust companies and banks of Indianapolis and throughout the country became heavily involved in raising money for the war effort. The Merchants National Bank and the Indiana Trust combined to raise \$1 million [\$14.7 million CD] in war bonds – on the first day of sale. By the time Indiana’s National Guardsmen marched to war in October 1917, a half dozen Indianapolis trust companies and banks had sold more than \$2 million in war bonds [\$29 million CD], \$200,000 [\$2.9 million CD] of which was bought by the Indiana Trust Company. During the same time the Indiana National Trust and the Union Trust Company sold \$2 million [\$29 million CD] in bonds during the first offering and then underwrote another \$500,000

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<sup>100</sup> Loomis, *The Chicago Community Trust: A History of its Development 1915-1962*, 6.

[\$7.4 million CD].<sup>101</sup> The trust companies and banks increased their efforts during the next two years until the war ended in 1918.<sup>102</sup> This kind of militarized financial effort on the part of the trust companies that originally chartered the Indianapolis Foundation in 1916 helps explain why funds for domestic philanthropic purposes did not materialize during the first three years of the foundation's existence.

Most of the early foundation activity focused on trustee collection of newspaper articles about the tornado disasters that occurred throughout Indiana in March of 1917 and how they were dealt with by various relief agencies such as the Red Cross and the various Chambers of Commerce. More than 58 people died, 3,500 were homeless, and it was estimated that in one town alone more than \$200,000 [\$2.9 million CD] was needed to bring about adequate relief. Indianapolis collected more than \$15,000 [\$221,000 CD] dollars, but none of these funds came from the Indianapolis Foundation. Many more natural disasters were documented throughout the Midwestern states but there is no evidence that these articles helped inform the decisions or policies of the Indianapolis Foundation or spurred actual donations of any kind during its early days.<sup>103</sup>

As the war wound down in 1919, the foundation's trustees focused on the resuscitation of the Indianapolis Foundation, as the meeting minutes of 14 November 1919 reveal:

The secretary stated the purpose of the meeting was to consider the propriety of the Trustees in calling upon representatives of the Indiana Trust Company, The Union Trust Company and the Fletcher Savings & Trust Company, to make some more aggressive effort to revive interest in the Indianapolis Foundation

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<sup>101</sup> Weintraut, *Pioneers in Banking: A History of the Indiana National Bank*, 64-65.

<sup>102</sup> *The City and the Bank, 1865-1965: The Story of 100 Years in the Life of Indianapolis and the Merchants National Bank & Trust Company of Indianapolis*, 64-67.

<sup>103</sup> Indianapolis Foundation Scrapbook, 1917-1925, Box 76.



and to stimulate the thought of the community with reference to the Foundation and its purposes.<sup>104</sup>

Thereupon Mr. John H. Holliday of the Union Trust Company, Mr. Frenzel of the Indiana Trust Company and Mr. Woollen of the Fletcher Savings & Trust Company, entered into a discussion of the situation with the Trustees and agreed in the near future to take some concerted action looking to a program of publicity which would bring before the community the purpose of the Foundation and the opportunities offered through it for meeting the future problems connected with charitable needs of the city of Indianapolis.<sup>105</sup>

With the war over, the founders and their hand-picked trustees returned to their efforts to promote the Indianapolis Foundation as a vehicle for donors to entrust their largesse to be used to meet the needs of the Indianapolis community. Their renewed determination must have worked, because on 5 May 1920 a former Indianapolis businessman, Alphonso P. Pettis, who now lived in France, designated the Indianapolis Foundation as a recipient of the balance of his estate upon his death. Pettis came to Indianapolis shortly after the Civil War to start over after losing a fortune in New York. He invested in a dry goods store and real estate, selling his interest in 1890, when he was 60 years old. He also married at 60, but never had any children, and his wife died within a few years of their marriage. However, he never forgot that his fortune was regained in Indianapolis and had contemplated making a contribution to the Indianapolis Foundation starting in 1916.<sup>106</sup> In a trust established at the Indiana Trust Company, Pettis designated \$15,000 [\$141,509 CD] per year to himself in gold coin until his death; Mrs. Emergene

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<sup>104</sup> The Indianapolis Foundation, "Minutes of the Meeting of the Trustees of the Indianapolis Foundation, November 14th, 1919," Box 1/1.

<sup>105</sup> Foundation, "Minutes of the Meeting of the Trustees of the Indianapolis Foundation, November 14th, 1919," Box 1/1.

<sup>106</sup> "Alphonso P. Pettis, Founder of Store, is Reported Dead," *Indianapolis Star*, March 6 1929, Indianapolis Foundation Private Archives (IFPA).

A. Roberts of Springfield, Massachusetts would receive \$2,000 [\$18,867 CD] per year until her death; and the remainder was bequeathed to the Indianapolis Foundation. At the time, Pettis' assets were recorded as \$112,000 [\$1,056,603 CD] in bonds, and \$455,000 [\$4,292,452 CD] in stock, for a total of \$567,000 [\$5,349,056 CD].<sup>107</sup> The trust was signed by J. P. Frenzel, President, and C. H. Adam, Secretary of the Indiana Trust Company. This document was also endorsed by William Dulany Hunter, U.S. Consulate in France. It seems that Pettis lived for several years in the south of France in the city of Nice, begging the question; why did he leave his estate to this new, obscure foundation in Indianapolis? One can only presume that he felt compelled to give back to a city and citizenry that had given so much wealth to him.

The profit that the Indiana Trust Company was to derive from the Pettis trust was defined in the trust's provision for the administrative fees to be paid. The trust deed states that 1 percent of the value of the trust estate would be paid to Indiana Trust Company, with half of the 1 percent upon transfer of the funds and the other half of the 1 percent at the end of ten years. Therefore, the bank eventually would profit by \$5,670 [\$53,500 CD]. In addition, the bank would receive 2 ½ percent of the interest and income derived from the trust. A conservative 5% return on the remaining \$564,147 would have brought in \$28,207 and 2 ½ percent of that would have been \$705 [\$6,652 CD].<sup>108</sup> Therefore, over a ten-year period the Indiana Trust Company profited by at least \$12,000 [\$113,000 CD] even before administrative fees were included. At an estimated 5% interest returned per year, the assets of the trust would also grow at a healthy rate. With a payout of \$17,000

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<sup>107</sup> Appointment of Trustee papers, 1921, Box 1/1, 17-18.

<sup>108</sup> Appointment of Trustee papers, 1921, Box 1/1, 17-18.

[\$160,000 CD] per year to Alfonso Pettis and Emergene Roberts, the estate would still stand to increase by \$10,000 [\$94,000 CD] or more per year in 1920 dollars.

The trustees became aware of this generous gift at their meeting on December 8, 1921. A nephew of Alfonso Pettis, Charles W. Bressler-Pettis, had written a letter to the board about the accrual of several thousand dollars that could be put to use by the foundation. Yet the trustees did nothing with the funds available for charitable distribution. Instead, they decided to publicize the receipt of the gift “at Christmas time and thus take advantage of the general attitude of mind of the public at that time, *to give the most effective and helpful publicity to the interests of The Foundation*” [emphasis added].<sup>109</sup> Effective public relations became a personal concern of the trustees, and this is a theme that arises continuously in the early years of the foundation.

In appreciation for Alphonso Pettis’ gift, the trustees adopted a resolution:

WHEREAS, there has just been brought to the attention of the Trustees of The Indianapolis Foundation, the munificent gift of Alphonso P. Pettis, by which in perpetuity and subject to the annuities to Mr. Pettis and Mrs. Roberts, there will be available for the works of The Foundation a very substantial income, thus assuring it of performing valuable service to the community of Indianapolis; and,

WHEREAS, without awaiting the death of the donor, as is true in other gifts made to the Foundation, Mr. Pettis has seen fit to make his gift during his life, thus particularly recognizing the place of The Indianapolis Foundation in the life of the community and so strengthening the hands of the Trustees for their future work;

BE IT RESOLVED, that the Trustees of the Indianapolis Foundation do hereby make a formal record of their deep sense of appreciation of the splendid gift made by Mr. Pettis and of the opportunity for service to the community which this gift affords; and,

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<sup>109</sup> “Minutes of the Meeting of the Trustees of the Indianapolis Foundation, Dec. 8, 1920,” Box 1/1, 16.

BE IT RESOLVED, that the Secretary of the Board be authorized to convey to Mr. Pettis a copy of these resolutions with assurances of personal esteem of the individual Trustees.<sup>110</sup>

A few weeks after the resolutions were created and a copy sent to Alphonso Pettis, Charles W. Bressler-Pettis, wrote a another letter sent from the Grand Hotel O'Connor, Nice, France, to H. H. Hornbrook, then secretary of the Indianapolis Foundation. Bressler-Pettis responded to the resolutions that the board had made as a result of the Pettis gift received by the foundation. He stated that although Alphonso Pettis was 91 and his eyesight was failing, his uncle had read the resolutions out loud in his home in France. Bressler-Pettis stated that he understood that it takes a while to get a community trust "well rooted," but that he would like to see an annual statement as soon as it is completed. This is because "Dear uncle is unable to understand why a statement has not been published and will be anxious to see one."<sup>111</sup> An annual statement would have given Pettis gratification on two levels. First, he could see what the Indianapolis Foundation was doing with his money. Second, it would certainly have listed Alphonso Pettis as the first contributor to the foundation, providing him recognition among the Indianapolis community as a generous and magnanimous philanthropist.

No accounting or acknowledgement of Pettis' gift and its resulting philanthropic work was given as evidenced in another letter sent to Hornbrook in October of 1921:

On behalf of my dear Uncle Alphonso P. Pettis, who is now an elderly man and who, more than a year and a half ago, made a substantial donation to the Indianapolis Foundation, I am writing you in regard to the annual statement of the Board of Trustees.

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<sup>110</sup> "Minutes of the Meeting of the Trustees of the Indianapolis Foundation, Dec. 8, 1920," Box 1/1, 15-16.

<sup>111</sup> H.H. Hornbrook, Letter, by Charles W. Bressler-Pettis, December 27, 1921, Copy of original letter in Hornbrook's personal files, letter about foundation resolution.

According to the booklet before me an annual statement is to be published showing the amount of property held from each donor or testator and in detail the disbursement of the income. I assume such a statement has been published, but as we are always sojourning in Europe we have not seen the statement, and will you therefore please kindly send me a copy at your earliest convenience? Would you also kindly tell me if this statement is to be published in pamphlet form or in the newspaper, or both.<sup>112</sup>

A little over a month later, Bressler-Pettis sent another letter to Hornbrook in care of the Indiana trust Company, quoting word-for-word his previous letter, and stating:

On October 2<sup>nd</sup>, 1921, I wrote you a few lines on behalf of my dear Uncle Alphonso P. Pettis and presuming that letter did not reach you I hand you herewith the following copy of the letter: [...] In this connection my dear Uncle Mr. Alphonso P. Pettis asks me to tell you that he has no objection to the publication of what he gave to the Indianapolis Foundation. On the contrary, he would like to see the statement published each year and to know how the foundation is getting on in its great work.

Awaiting your early reply, I beg to remain, Mr. Hornbrook,

Very respectfully yours.<sup>113</sup>

It is obvious from these letters that the aging Alphonso Pettis wanted to witness his immortality secured as a benevolent man before he died. He not only wanted his recognition as a philanthropist, he wanted that recognition to be published in pamphlets that would be distributed to the public, as well as announcements of his good deeds in the local newspapers. It is equally obvious that the trustees had little regard for their benefactor or their responsibilities as trustees of the Indianapolis Foundation to use the funds Pettis has provided for the common good of the citizens of Indianapolis.

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<sup>112</sup> Letter by Bressler-Pettis. Letter about foundation resolution.

<sup>113</sup> Letter by Bressler-Pettis. Letter about foundation resolution.

Pettis' frustrating experience was probably shared by many contributors to early community foundations, because most donors had little idea how their gifts were being used. The early Indianapolis Foundation trustees showed little inclination or motivation to keep their own donors informed about such matters. What a contrast this makes to modern methods of constant donor cultivation and information sharing. These early foundations were so new an entity that few trustees had any idea how to run one, therefore poor communication with donors was common. Moreover, the wealthy and privileged white men who conspired to run these organizations had little or no sense of accountability to others and would have resented external assertion of the necessity for such consideration. This blatant neglect of Pettis is typical of this elite attitude.

### **The Commissioning of Social Surveys**

Since the birth of "scientific philanthropy" in later 17<sup>th</sup>-century England, the most modern benefactors preferred to study social problems closely so as to maximize the utility of all funds applied to their solution. This procedure became common among early U.S. community foundations. For example, the first action that the Cleveland Foundation took was to underwrite the Cleveland Education Survey. This was headed up by Leonard P. Ayres, who was not only the director of the Education and Research Education Department at the Russell Sage Foundation, but who also worked for Frederick Goff and the Cleveland Trust Company as its vice-president and economist. Goff and Ayres were good friends and associates, and "worked together for many years as the chief promoters of the community trust idea."<sup>114</sup> It is no coincidence that Ayres, a life-long economist who was representative of the charity organization society mentality of the Sage foundation,

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<sup>114</sup> Loomis, *The Chicago Community Trust: A History of its Development 1915-1962*, introduction.

and Goff, a wealthy banker would have such an intense, and supposedly altruistic, commitment to create such a foundation. But this commitment had everything to do with reforming the undeserving poor in order to make them more accepting of low wages and poor working conditions offered by many companies run by wealthy businessmen. It also created more confidence in the minds of potential wealthy Cleveland Trust Company customers that their charitable funds would be put to productive use and not wasted on the lazy and irresponsible of the lower-classes. This veiled attempt to use philanthropy as camouflage for commercial gain is once again evident in their relation and in their actions.

This practice of extending charity only after careful investigation was not confined to a small circle of elites in Cleveland. It was much more widespread and common as community foundations grew throughout the Midwest. However, the problems that were considered worthy of investigation were hardly the urgent plights of the under-class. The fact that the trustees of the Chicago Community Trust decided to do a study on the pressing problem on the lack of housing for single, professional white women in Chicago instead of poverty, healthcare, or social services is yet another glaring indictment of the foundation elite's detachment from reality and a blatant catering to the employment needs of the tycoons of business and commerce. The opening page of this study states the desperate plight of the young, naïve, white girl who arrives in the big city:

But where is the young girl, just come from the country in search of the opportunity to earn a living, to find a room? The question is important and exceedingly difficult. If she is inexperienced, two very practical difficulties confront her; first, is her inability to earn a living wage; and second her inability to find a safe and suitable home within means which she can afford. The problem, however,

is not alone her problem, for if the girl remains in Chicago, if there is a place for her in business or industry, then there is the problem of efficiency and respectability for her employer and her immediate associates, and the social problem for the entire community. If the girl is to remain in Chicago, then employers and employees and the entire community, purely in self interest, must help to solve this problem which for convenience we shall call hers.<sup>115</sup>

Surely there were more pressing social concerns at that time than the reputation and welfare of young white women who voluntarily came to the cities to seek work as secretaries, assistants and store clerks. Yet these other social ills were ignored in response to this supposed urgent community need. Again, the concern here is to retain young women in Chicago for use in the work force and to make them “respectable” members of their workplace and community. The concern is not primarily for the welfare of the young women themselves, but for the benefit of the businesses that exploited these girls in their desperation.

Another method of manipulation by the wealthy who governed early community foundations was to use their resources, bolstered by social surveys, to supposedly protect their fellow Americans from the threat of foreign cultural influences. After WWI, immigrants flooded all Midwestern cities, and many social elites and politicians were alarmed that their insular Anglo communities were being over-run by non-English speaking populations. Reminiscent of the current intolerance regarding Latino, Hispanic and Muslim immigrants in America, public and political pressure was building to “Americanize” these immigrants by forcing them to learn English.

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<sup>115</sup> Ann Elizabeth Trotter, *Housing of Non-Family Women in Chicago* (Chicago: The Chicago Community Trust, 1921), 1.



For instance, in 1919 the Chairman of the Chicago Community Trust, Clifford W. Barnes, ordered an “Americanization” survey that reported that of the nearly 2.5 million residents of Chicago, “56 percent were of foreign language groups.” The survey listed several organizations that offered “Americanization” services to these populations. Every effort was made to insure that these new immigrants learned to speak English and adopted proper American cultural mores and practiced proper etiquette to quickly eliminate all their barbaric and offensive foreign ways, becoming rapidly “Americanized.” This survey-driven assimilation practice became very popular and even resulted in the creation of an “Americanization Council” to promote these “good-will services.”<sup>116</sup>

Similar to efforts by these foundation leaders to coerce the wretched poor to become more amenable to accepting the hard and dangerous manual labor offered by businesses, the “Americanization” movement was not created to meet the needs of immigrants. Its real purpose was to fuel companies with cheap laborers who understood English and would “fit in” with other factory workers. Invoking the use of “American” in the titles of these organizations and their publications helped gain wide support from the citizenry by appealing to middle-class patriotism, allowing the true intent of these efforts to be hidden. This is a strategy that still continues to this day to promote intolerance in the guise of nationalism.

Chicago wasn’t alone in this effort. The New York Community Trust became directly involved in the “Americanization” movement, creating a booklet titled *To a Citizen of the United States*. As an example of how far the community trust went to impress how patriotic their cause was, the front of the booklet was imprinted with an

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<sup>116</sup> Loomis, *The Chicago Community Trust: A History of its Development 1915-1962*. ?

image of the American bald eagle surfboard-riding a shield decorated in stars and stripes. Among the items in the booklet were brief summaries of the Declaration of Independence, the U.S. Constitution, the Bill of Rights, lyrics to the songs *America* and *Battle Hymn of the Republic*, quotes from famous Americans, the Pledge of Allegiance, and, of course, a listing of all the U.S. presidents.

These kinds of campaigns and programs camouflaged the truth that community foundation boards of trustees had little experience in identifying pressing community needs. Certainly none of the wealthy trustees of the Indianapolis Foundation had personal knowledge of the true impact of poverty, race prejudice, poor health issues, or lack of education. They had been raised in affluence and continued to bolster their status further as pseudo-philanthropists. As a result, they spent a great deal of time, years in some cases, commissioning studies and surveys about the conditions of their cities from men they considered to be experts. This was done partly because they struggled to grasp the urgent needs of a lower-class so far below their station, and partly because it at least looked like they were doing something useful with their funds. It bought them time to try to figure out how to best operate this new creation and the best way to serve the public – or at least to appear to do so.

The Indianapolis Foundation trustees preferred to meet at the Columbia Club, a bastion of the city's governing elite. On July 8, 1922 they met there to try to decide how to distribute \$12,000 [\$135,000 CD] in dividends from the Pettis Trust. They followed the model of other community trusts and decided that "at least for the time being the policy of the trustees of The Foundation should be to use the funds in investigation of

social conditions in the community, and through proper publicity, aid in the correction or amelioration of harmful conditions rather than in providing relief for specific matters.”<sup>117</sup>

The trustees decided that an investigation of the work that other foundations throughout the country were doing was in order. Rather than look at other community foundations, they decided to look to the Russell Sage and Rockefeller foundations to discover “the best means to be used in conducting a survey of conditions in the city of Indianapolis.”<sup>118</sup> The Russell Sage model fit quite well with the philanthropic philosophies of the elite Indianapolis trustees, as its own trustees were elites who were all closely associated with Charity Organization Societies, especially in New York.<sup>119</sup> The Sage foundation has been sharply criticized for its capitalist approach to solving social problems and accused of conspiring with business elites to demolish any support of the poor in order to create a more submissive labor pool. Researcher and author Stephen Pimpare charges that business elites in the Victorian age targeted poor relief:

[...] because in addition to it being anathema to them, they found that it allowed workers the ability to decline their offers of what was often very low-wage and dangerous work. They sought to influence public opinion and public policy, and one of the ways in which they did so was through what they called Charity Organization Societies, a very early kind of think tank. The arguments elites used about the dangers of poor relief and the harm it caused the poor as well as the working and middle classes effectively portrayed their narrow class concern as matters for the public good.<sup>120</sup> The ideology of these Charity Organization Societies permeated the Russell Sage board of trustees, and the

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<sup>117</sup> Henry Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” January 15 January 15, 1923, Box 1/2.

<sup>118</sup> Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” Box 1/2.

<sup>119</sup> Ruth Crocker, *Mrs. Russell Sage: Women's Activism and Philanthropy in Gilded Age and Progressive Era America* (Indiana University Press, 2006).

<sup>120</sup> S. Pimpare, *The New Victorians: Poverty, Politics, and Propaganda in Two Gilded Ages* (New Press, 2004), 6.

surveys and publications the foundation produced supported these reforms to push the “undeserving poor” off of the charity dole and into low-paying, labor-intense jobs. Following in the footsteps of the Sage foundation to engage in social surveys, the Indianapolis Foundation trustees made a formal resolution to work with a committee appointed by the Indianapolis Social Workers’ Club to look into developing a health and housing survey to understand the conditions of the destitute citizens of Indianapolis.

The trustees also acknowledged that the foundation would soon be the recipient of a second trust, this one by James E. Roberts. The Roberts’ estate had several real estate holdings that needed to be sold. The trustees decided that Lilly, Hornbrook and Levey should be given the authority to represent the foundation trustees in any real estate sales transactions. However, Gustave Efroymsen expressed interest in one of the properties and “asked to be excused from voting on the matter.”<sup>121</sup> In the same meeting, Father Frank Gavisk was asked to visit Alphonso Pettis during his pending trip to Europe.

Only a few weeks after the 8 July meeting, the Indianapolis Foundation trustees met again and accepted an agreement that had been in negotiation with the widow of James E. Roberts in connection with his will. She suggested that if she were allowed to hold on to a piece of property at the corner of Washington and Meridian streets until her death, she would bequeath the \$375,000 [\$4,213,000 CD] she inherited from her husband to the Indianapolis Foundation. Louis Levey accepted the offer on behalf of the Indianapolis Foundation, and, once again, Gustave Efroymsen declined from voting on the matter because of his interest in real estate that was part of the Roberts will.

The Roberts trust was held by the Union Trust Company, the Pettis trust was held by the Indiana Trust Company, making the combination of the two estates at the Indianapolis foundation to yield the equivalent of nearly \$10 million CD in cash assets.

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<sup>121</sup> Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” Box 1/2.

This total did not include any sale of real estate from the Roberts trust. Even with these vast assets, the foundation trustees took no action to alleviate social problems in Indianapolis. This was partly due to the trustees' ignorance about how to run a foundation, and partly because the trust companies were making money from the "charitable" trusts via administration fees and by claiming a percentage of the interest on the sitting cash assets. There was certainly no urgency on the part of the trust companies to disburse these funds into the hands of others, no matter how needy.

By conducting surveys, the trustees delayed the disbursement process while making it appear that the foundation was achieving some public good, however imaginary. The trustees appointed Walter S. Greenough to visit several foundations and report back to them on his findings about what they were doing in their communities. Greenough had already visited the community foundation in Buffalo, NY, and Cleveland, OH, but his report on those visits was not entered into the minutes. However, a report by the Buffalo Foundation in 1921 confirms my claim that the structure and governance of these community foundations were created in such a way to be controlled by the trust companies. The Buffalo Foundation did not even attempt to hide this fact, listing executives from six trust companies as the foundation's trustees. Again exhibiting the fact that these wealthy elites had little interest in actually funding community organizations, the Buffalo Foundation trustees followed the charity organization society model of acting as an information clearing house. Their most important activity at that time was the compilation and publication of a directory of area social agencies. The director of the foundation admitted in his introduction to the directory that the selections were made "without the least attempt having been made to indicate whether or not it is of

high type.”<sup>122</sup> This was a weak attempt to appear as though the Buffalo Foundation trustees were doing something useful for the community without really doing much of anything. Some organizations were omitted from the directory because it was determined by the trustees that they were not dispensing social services or were fraudulent. However, the agencies the foundation trustees felt did pass the social welfare test of credibility included the all too prevalent Americanization programs for immigrants and programs for poor young girls to train them in the vocations of “laundry work and domestic science [in order to] preserve and restore to society poor and unfortunate women.”<sup>123</sup> This again shows the goal of many charities to reform and exploit these social pariahs for employment by businessmen in both their companies and homes. The directory’s approved list also included the politically charged Anti-Saloon League, and the Buffalo Baptist Union’s mission to “promote the development and ideals of Baptist Churches.”<sup>124</sup> The fact that these last two organizations were allowed to be listed demonstrates that the trustees had no qualms about supporting political or religious indoctrination as legitimate remedies for the ills of society. Although it is not known if Greenough reported any of these or any other facts about the Buffalo Foundation after his visit there, he was asked to also visit community trusts in Providence, RI, Boston, and New York, then submit a report of his recommendations to the board.<sup>125</sup>

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<sup>122</sup> Community Welfare Council of Buffalo, Erie County and the Buffalo Foundation, *Directory of community services in Buffalo and Erie County* (Community Welfare Council of Buffalo and Erie County, 1921), 6.

<sup>123</sup> Community Welfare Council of, Erie and Buffalo, *Directory of community services in Buffalo and Erie County*, 12.

<sup>124</sup> Community Welfare Council of, Erie and Buffalo, *Directory of community services in Buffalo and Erie County*, 15.

<sup>125</sup> Henry Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” July 28 1922, Box 1/1.

At the December meeting of 1922, the position of vice-chairman was created, to which Fr. Francis Gavisk was appointed. At that time, Gavisk's appointment as a trustee was to expire in a month. Thus, Henry Hornbrook asked the mayor of Indianapolis to either reappoint Gavisk or select another appointee. This was just a formality because none of the trustees were ever replaced except by resignation or death. A resolution was also adopted that outlined how disbursements should be handled from the trust companies, and it was agreed that the "All trust funds held by the [trust companies] and available for distribution by the Trustees, shall be disbursed under order of the Trustees[...]."<sup>126</sup> This resolution definitively outlined who had control over the available funds and made it clear to the banks that the interest and dividends that resulted from the trust could not be held until the trust company felt obliged to release them. The fact that this resolution had to be made indicates that there had already been conflict between the trustees and the trust companies regarding control of the interest from the foundation's assets. Reluctance on the part of the trust companies to release funds for distribution could also explain the delayed use of funds by the Indianapolis Foundation for the public's benefit.

Walter Greenough made a second report about his the activities of the last foundations he had visited, although the content of that report is unknown. We can assume that he made a strong case for the use of the charity organization society model of using surveys to identify legitimate recipients for support, because the trustees decided to create a committee to create a plan for a health survey of Indianapolis, requesting a report on its findings by the end of January. We also discover that Greenough was not a social

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<sup>126</sup> Henry Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," December 1 December 1, 1922, Box 1/1.

scientist nor connected with any kind of charity work experience, as he worked for Evans Woollen at the Fletcher Savings & Loan, so his expertise at solving social problems was probably limited. However, his travel expenses were not paid by the trust company, but from the Pettis' funds held by the Indiana Trust Company.<sup>127</sup> This demonstrates a complete lack of financial philanthropic support from the trust companies themselves for any of the works performed by the Indianapolis Foundation.

At this same December meeting it was announced that the late Delavan Smith, owner of the *Indianapolis News*, had bequeathed a substantial part of his estate to the Indianapolis Foundation. Delavan Smith's relationship with two of the people involved with the foundation undoubtedly played a part in his decision. John H. Holliday sold the *Indianapolis News* to Smith in the early 1900s, and Charles Fairbanks, one of the original trustees of the foundation, was Smith's cousin.<sup>128</sup> Although the amount of Smith's bequest had not been determined, he designated that the trust would be held by the Fletcher Savings & Trust Company. With this latest donation to the Indianapolis Foundation, all three founding trust companies now held one of the three trusts that had been bequeathed to the Indianapolis Foundation, each generating lucrative long-term revenues for the trust companies in exchange for very little effort on their part.<sup>129</sup>

J. K. Lilly and Henry Hornbrook submitted the report recommendations for a health survey of Indiana at the January, 1923 trustee meeting. They had consulted with experts across the country on the subject, but instead of recommending an action or direction, they stated that "we are convinced that it will require much investigation,

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<sup>127</sup> Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," Box 1/1.

<sup>128</sup> Harlow Lindley Collection, 1790-1914, M 0186 OM 0302, Indiana Historical Society.

<sup>129</sup> Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," Box 1/1.



reflection and discussion to arrive at any proper conclusions as to the scope of any Survey that should be undertaken.”<sup>130</sup> In essence, they were saying that much more research had to be done before they could do more research, before any action to solve the community’s problems could be taken. Here again, these elite city “benefactors” merely delayed using any funds at the foundation’s disposal as they continued to view the community through an elite lens that obscured the view of its pressing needs. Not so surprisingly, this meticulous and impotent approach to making funding decisions was consistently abandoned and replaced by the influence of powerful business concerns and the personal agendas of the trustees, such as the support of the Indiana Symphony Orchestra Society a decade later. This elite cultural institution, as well as projects proposed by the chamber of commerce, often commanded the trustees’ funding consideration, but other worthy causes were to be exhaustively researched before any support was given.

The trustees suggested that rather than have a health survey done by an outside agency, the project should be done by a new agency created by the Indianapolis Foundation. This agency would then work with all of the other social welfare agencies in the city to help solve the yet to be discovered problems of the citizenry. The committee also strongly advised that the new organization should focus on the prevention of poverty and poor health rather than addressing the symptoms of suffering. Again, this reflects the charity organization society philosophy of “scientific philanthropy,” the imperative of doing no “charitable” acts impulsively and without serious, prolonged study of the “objects” of such proposed assistance. The recommended names for this new surveillant agency included “The Indianapolis Foundation, Institution of Prevention,” and “The

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<sup>130</sup>Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” Box 1/1.

Foundation Institute of Investigation and Prevention.” They also recommended that a director be hired to run the organization, and that he should take several months to “devote himself to a study of existing conditions; of the present social agencies; and bring himself into close personal contact with local conditions and present social agencies.”<sup>131</sup> After this new agency director had thoroughly immersed himself in the city’s social problems and the agencies that dealt with them, he was then supposed to recommend to the board the kind of “real” philanthropic work needed. Once a plan of action was agreed upon, more employees would be added “who could conduct the detail work on any investigation that may be undertaken.”<sup>132</sup> In other words, the committee that designed and developed a plan of action would then design another organization that would then further investigate the problems. The committee was then to make their recommendations known to the trustees who would decide what to do, which would delay any philanthropic action by many months, if not years.

The trustees’ avoidance of engaging in meaningful philanthropy through the endless commissioning and conducting of lengthy surveys was not the only tool that was used to defer action. The board members coveted uniformly favorable publicity for their rationalized, deliberate philanthropy and postponed any such acts until they could be stage-managed properly through the concerted cultivation of a favorable press. Shaping a positive public image of the Indianapolis Foundation and its elite trustees was just as important as discovering the “right” problems to be solved. The committee believed that “the public, through the press, should be taken into our confidence from the very beginning, and that any plan or survey that is announced should come as the

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<sup>131</sup> Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” Box 1/1.

<sup>132</sup> Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” Box 1/1.

recommendation of our own organization, after it had studied the situation, had secured the cooperation of existing social agencies in connection therewith, *and had the full cooperation of the public press in promoting the objects to be obtained*" [emphasis added].<sup>133</sup> From this acute sensitivity to publicity's value in "selling" effective philanthropy, one sees in the Indianapolis context how the working methods of businessmen permeated the operations and ethos of early community foundations.

The trustees did not immediately accept all of the recommendations, but did decide that a director for the Indianapolis Foundation should be hired who could "familiarize himself with local conditions" in order to carry out any recommended work. A motion was made and carried to form a committee to "secure the proper man as Director," and J. K. Lilly promised to appoint such a committee within a few days.<sup>134</sup> Keeping with the trustees' penchant for procrastination and lack of a sense of urgency to address the community's ills, Lilly embarked on a trip around the world shortly after and did not appoint the committee until five months later at the June meeting of the trustees. The committee consisted of himself, Fr. Gavisk and Henry Hornbrook. A number of candidates for the director's position were discussed, but no decision was made. Another six months passed before a director was agreed upon and hired.<sup>135</sup> The fact that sufficient funds were available for distribution and yet the trustees casually took a full year to take action on what was supposedly such an important undertaking to identify the charitable needs of the community is nothing short of neglect of their duties and disregard for the plight of the poor by the Indianapolis Foundation trustees.

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<sup>133</sup>Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," Box 1/1.

<sup>134</sup> Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," Box 1/1.

<sup>135</sup> Henry Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," June 22, 1923, Box 1/2.

The significant business of the June 1923 meeting was the estate of Delavan Smith. Oddly enough, like Alphonso Pettis and James Roberts, Delavan Smith no longer lived in Indianapolis when his bequest was made. The reason three men, who no longer had ties to Indianapolis, would give to a foundation that merely professed to serve the needs of the city remains a mystery. Delavan Smith's bequest rivaled the donations of the other two benefactors, with over \$285,000 [\$3,131,000 CD] in stocks and \$200,000 [\$2,197,000 CD] in real estate, for a total of more than \$485,000 [\$5,330,000 CD] in assets. In constant 2004 dollars, the foundation had accumulated bequests worth more than \$15 million in just a few short years. Yet the assets were really the property of the trust companies that had founded the Indianapolis Foundation, with each adding a substantial amount to their deposits as a result of its creation. In addition, trust company executives and the foundation trustees were receiving financial and public relations benefits at no cost to themselves.<sup>136</sup>

The creators of the foundation came to realize the potential business benefit of being the only three trust companies with control over the foundation. All had gained significant assets to be used in the service of the Indianapolis Foundation and were making profits on the interest with absolutely no investment on their part, and no responsibility for the distribution of such funds. Distribution was supposedly the role of the trustees, most of whom were disinterested, preoccupied, or simply ignorant as to how and when to fund needy local organizations. These wealthy businessmen, who made major decisions every day involving vast sums of money and assets, could not seem to bring themselves to take even the smallest philanthropic action without consulting with a myriad of "expert" individuals and committees. Quite simply, they did not know what

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<sup>136</sup> Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," Box 1/2.

they were doing. They were not appointed trustees because of their compassion for the poor or their astute views of the challenging social issues of the day. Although most of them were either philanthropists or were associated with other charitable organizations, their lack of belief in the legitimacy of the foundation is evident in the fact none of them gifted any of their personal wealth to the foundation except for Louis Levey, who donated \$5,000 to the Alphonso P. Pettis Fund, and Gustave Efroymsen, who established a fund in his own name. They were appointed mostly because of their fraternal, social and business relationships with the “Blue Book” elites that created the Indianapolis Foundation. While they were all very good at making money, they were utterly incompetent at giving it away. As we will see, they came up with a daring and innovative initiative to address their shortcomings by doing what every wise businessman does: they hired someone smarter than themselves to run the foundation.

## **Chapter 4: Foundation Firsts - A New Director and the Start of Philanthropic**

### **Action**

It was not until 1924 that the Indianapolis Foundation made its first grants, eight years after its charter. The decisions regarding the recipients of those funds were influenced by several factors. First, by the social and business relationships between the trustees and the Indianapolis wealthy elite. Second, by the prevailing thinking of charity to the poor as a futile and wasteful exercise, preferring instead a well-planned, deliberate philanthropy aimed not at relieving the suffering of the underclass, but at teaching them a proper way to live and work. Third, the trustees were driven by an obsessive desire to avoid bad press and improve the foundation trustees' reputations as wise benefactors. Fourth, because of the trustees' lack of experience with the leadership of a charitable foundation, the parameters of the scope of what the Indianapolis Foundation could or should fund changed constantly, depending on the other factors stated previously. Fifth, donors and their families began to insist on accountability for the funds that they and their departed loved ones had left to the foundation. Sixth, the person the trustees hired as the foundation's new director was a poster child for the "charitable organization society" approach to serving the neediest in Indianapolis. As we will see, these diverse influences resulted in a decision-making process that was inconsistent, confusing, and sometimes, truly offensive.

To their credit, the trustees must have acknowledged among themselves that they were in over their heads. In November of 1923, they decided that as a board they did not want to enter into any agreements with organizations, or do work with other organizations. The trustees determined they should select a director to supervise any such

activities. As a result, all surveys and investigations were put off until a suitable person was found. Their choice was strongly influenced by the examples of other community foundations and private foundations such as the Russell Sage Foundation, to rely on the expertise of those heavily involved in charity organization societies. The name of the former secretary of the Indianapolis Charity Organization, Eugene C. Foster, was suggested as a prime candidate. The Indianapolis Charity Organization operated within the traditions and philosophies of charity organization society ideals, which expressed contempt for any “charitable” action that could lead to the poor’s dependency on relief of any kind. Although Foster was the current assistant secretary of the Associated Charities of Cleveland, it was felt that he might be interested in returning to Indianapolis. The trustees decided to invite him to meet with them at their next meeting on November 27<sup>th</sup>.<sup>1</sup>

Foster accepted the invitation and dined at the University Club with the trustees, who were all guests of J. K. Lilly. They discussed the “possible lines of useful service for the Indianapolis Foundation in the City of Indianapolis, and the methods in which it could best function [...]”<sup>2</sup> Foster must have impressed the group because after excusing himself from the gathering, the trustees made a unanimous decision that he was the man for the job. In December, he met again with the trustees and formally accepted the position with a start date of January 1, 1924. A salary of \$5,000 [\$55,000 CD] was agreed upon, which was less than the other heads of many other social welfare organizations were receiving, but far higher than the wages earned by most workers at the time.<sup>3</sup> With

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<sup>1</sup> Henry Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” November 13, 1923, Box 1/2.

<sup>2</sup> Henry Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” November 27, 1923, Box 1/2.

a new leader at its helm who was firmly indoctrinated by the charity organization society movement and its belief in the superiority of “scientific philanthropy,” a new phase of the Indianapolis Foundation began.

Word must have traveled fast among social agencies that the Indianapolis Foundation had funds to distribute, as five of them submitted a letter to the foundation requesting funds for an Indianapolis Employment Bureau. This diverse coalition of agencies consisted of the Family Welfare Society, the YMCA, the Catholic Community Center, the Jewish Federation and Flanner House. They had initially proposed this plan to the Indianapolis Community Fund (precursor to the United Way), where the project had received initial approval, but was later cut from the budget. The savvy petitioners regrouped, recast the bureau as “scientific philanthropy” rather than charity, and pursued funding from the Indianapolis Foundation. Advocates for the bureau perfectly understood the impact of Andrew Carnegie’s writings about wealth and his insistence that people should never be helped by meeting their immediate needs. Instead, Carnegie recommended they should be given opportunities to help themselves, guided by well-schooled benefactors who were better informed about real socio-economic conditions than any lowly beneficiary. Bureau proponents appealed to the desire of the trustees to solve social problems by attacking their root causes:

To help a man get a job – to help the right man get the right job – is a community problem that is fundamental, universal in scope and entirely constructive in nature. It involves not almsgiving nor relief, but self help and self development. The highest aim of the philanthropic work is to make the individual self-supporting. The Employment Bureau’s whole activity would be in that direction. It would work as a direct preventive of social maladjustment, misery

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<sup>3</sup> Henry Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” December 11, 1923. Box 1/2.



and waste. Is not such an agency, surely, one with which the Indianapolis Foundation may properly deal? <sup>4</sup>

Bureau proponents requested \$4,700 [\$52,000 CD]. The foundation trustees had stated, more than a year before, that \$12,000 [\$135,000 CD] was available for expenditure. Considering that very little had been spent, and that another \$1 million [\$10 million CD] had been added, there was no doubt that substantial funds were available, even with the added expense of Foster's salary. The trustees discussed the proposition and were in favor of its goal, but voted again to delay action until Eugene Foster was officially in place.<sup>5</sup> This blatantly indecisive behavior of early community foundation trustees shows that the organizations they ruled made few, if any, quick changes or improvements to the socio-economic conditions of the communities they aspired to serve.

There were others, like the charity-minded activist Mrs. Carey of Indianapolis, who bypassed the Indianapolis Foundation altogether and made a request by letter directly to the foundation's first donor, Alphonso Pettis, in France. On December 20, 1923, Alphonso Pettis responded from Nice, France, to a request for funds from a Mrs. Carey of Indianapolis. The request was to support work she was doing in Haughville, an area of Indianapolis that was deeply impoverished at the time and one that remains impoverished even in 2010. Pettis responded that although he approved of her charitable efforts, he was unable to lend her "a helping hand in the great and good work that you have undertaken, for the very good reason that I have nothing whatever to give." He explained that he had given his fortune away to relatives and charities in New York, and

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<sup>4</sup>J. K. Lilly, by J. I. Holcombe Stanley Roth, John F. White, December 7, 1923. 1923, Box 1/5.

<sup>5</sup> Hornbrook, "Meeting of the Trustees of the Indianapolis Foundation," December 11, 1923. Box 1/2.

that the remainder had been given to the Indianapolis Foundation. “In return,” Pettis stated, “the Foundation gave me a life annuity to pay for my bread and cheese, and that is all I have left.”<sup>6</sup> Pettis continues:

Dr. Charles Pettis, my grand nephew, who types my letters, is now at his home in Grant City, Missouri, because of the death of his stepmother, a few weeks ago, leaving his father in a weak condition of health, and he cabled for Dr. Charles to come home. By the time this letter reaches you, he may be or may have been in Indianapolis where he intends to make his future home. As soon as he arrives in Nice, I shall place in his hands your letter and booklet and ask him to do all possible to help you along in your good work.<sup>7</sup>

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<sup>6</sup> Mrs. Carey, Letter, by Alphonso P. Pettis, December 20. 1923, Letter to Mrs. Cary about support for her work in Haughville, Indianapolis Foundation Private Archives.

<sup>7</sup> Letter by Pettis. Letter to Mrs. Cary about support for her work in Haughville, Indianapolis.

## **The First Office of the Indianapolis Foundation**

Eugene Foster arrived in Indianapolis on 2 January 1924 and began his new position in an office space secured by Henry Hornbrook at 1016 Hume Mansur Building (Figure 19). A few days later, with the help of Gustave Efroymsen and his connections with the Aetna Cabinet Company, he purchased a suite of office furniture at 40 percent off for a total bill of \$252.90 [\$2,700 CD]. This meant that, in today's dollars the furniture alone retailed for \$5,000, again showing that the trustees spared no expense in taking care of their own and in projecting an image of upper-class décor. A female office assistant, Miss Mildred Stone, was also hired and started at a rate of \$50 [\$550 CD] per month for half-time work.

Foster gave his first report to the trustees on 8 January 1924, and addressed the letter from Stanley Roth and the five agencies requesting funds for an Employment Bureau. He stated that he had consulted with many individuals inside and outside of Indianapolis about the idea, and all but a few thought it should not be taken on as the work of the foundation. It was generally felt the state or the municipality should fund an employment bureau since there were funds available from the state for such a purpose. Foster was also convinced that the foundation should not support any work that might require constant and ongoing support. In his opinion, the Employment Bureau would entail such a commitment. In line with the foundation's preference to maintain a good public image and avoid controversy, Foster also related the opinion of one informant he had spoken to who felt that "the Trade Unions have looked with considerable suspicion upon Employment Agencies as combatant to their interest." Another informant commented that there was "antipathy, suspicion and resentment existing between the

Trade Union Group and the group represented by the Employers Association [and] he questioned the advisability of the Foundation entering upon a work which would necessitate entering into this controversy.”<sup>8</sup> Foundations, and community foundations in particular, have long been allergic to public controversies of any kind. This general aversion limits the ability of any such organization to promote progressive or even substantive socio-economic change and has carried forward into the current operating standards of most foundations.



**Figure 18:** The Hume-Mansur Building in Downtown Indianapolis, first office of the Indianapolis Foundation

Source: The Indiana Historical Society

Foster recommended that the trustees decline to fund the Indianapolis Employment Bureau, but instead offered its backers help in establishing a bureau with the support of state funds. One of the reasons given for the trustees’ refusal defies logic, given the desire of the foundation to assist social welfare agencies in their work. The letter to Stanley Roth stated that “it will not be the policy of the Foundation to

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<sup>8</sup> Eugene C. Foster, “Director's Report to the Board of Trustees, Indianapolis Foundation, January 8, 1924,” Box 1/5.

supplement budgets of local welfare agencies [...].”<sup>9</sup> Apparently both the policies and the early funding priorities of the Indianapolis Foundation became confused. Like most foundations today, the Indianapolis Foundation showed itself far more interested in funding new programs of its own design rather than supporting the general operating budgets of existing charities.

A program mentioned during this same meeting was the care of crippled children, a suggestion made in a letter from W. H. Insley and Alex Holliday, the son of John H. Holliday.<sup>10</sup> As a result of the 1916 polio epidemic, and a lack of any cure, thousands of U.S. children had fallen ill and suffered permanent, crippling paralysis by 1924. As we will see later, this lobbying by the Holliday family led to the Indianapolis Foundation’s funding of special services for children stricken by polio in Indianapolis.

By January of 1924, the Indianapolis Foundation had \$19,000 [\$208,000 CD] available from the Pettis Fund, with projections of additional funds of \$8,000 to \$10,000 [\$88,000 to \$110,000 CD] per year for the foreseeable future. In addition, the Roberts trust fund was expected to yield about \$2,000 [\$22,000 CD] a month, or \$24,000 [\$264,000 CD] a year. Added to the funds already available from previous years, this would give the foundation more than \$32,000 [\$351,000 CD] per year to use for its substantial administrative expenses and the funding of programs.<sup>11</sup>

Luckily for the crippled children of Indianapolis, several incidents converged before the next trustee meeting. First, Foster met with Mrs. James Roberts, who was incensed by the foundation’s continuing failure to use the funds that her late husband had

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<sup>9</sup> Stanley Roth, by Eugene C. Foster, January 9, 1924. Box 1/5.

<sup>10</sup> Henry Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” January 8, 1924, Box 1/5.

<sup>11</sup> Hornbrook, “Meeting of the Trustees of the Indianapolis Foundation,” January 8, 1924, Box 1/5.

donated to the foundation. She told Foster that Mr. Roberts had expressly set aside \$25,000 [\$275,000 CD] to help crippled children in Indianapolis and that the Union Trust Company held those monies, of which \$1,500 [\$16,000 CD] could be used immediately. At the same time, Alex Holliday sent a letter to Henry Hornbrook urging the foundation to fund the work of the Public Health Nursing Association, especially its efforts to visit and care for the 300-400 crippled children in Indianapolis. Here Holliday sought, above all, to enhance the image of the foundation, and by implication, the public repute of his own father, a founder of the organization. Alex Holliday wrote:

Permit us to make the suggestions that a part of the Foundation income be used in a manner that will result in publicity for the Foundation and in keeping before the community the names of those who have contributed to it. Publicity will attract other bequests particularly from such persons who are not in touch with the welfare work being carried on. Welfare at its best is not spectacular and its needs are hard to get before the community. Helping children always appeals to the popular imagination and in our minds would be the best method to bring about the popularity of the Foundation as indicated in the foregoing.<sup>12</sup>

Early on at the Indianapolis Foundation, one sees the still common bias at such organizations to aid specific beneficiaries whose plight stirs public sentiment and favorable publicity. One also sees here the clear importance family and business connections had in shaping foundation aid policies.

Taking young Holliday's written suggestions seriously, Foster suggested using the \$1,500 available from the Roberts trust to fund a new nursing position named the "James E. Roberts Nurse" for the Public Health Nursing Association. This would solve the need to supply adequate help to children and satisfy Mrs. Roberts' concern over the foundation's neglect of her husband's bequest. Even more pointedly, Foster set a

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<sup>12</sup> Henry H. Hornbrook, by Alexander R. Holliday, December 28, 1923, Box 1/5.

precedent for the development of donor-advised funds in the Indianapolis Foundation by asking the rhetorical question “Do we not want to reflect the interests and wishes of our donors in the work we initiate and perpetuate?”<sup>13</sup> The trustees directed Foster to contact the Public Health Nursing Association about their needs. Here, quite ironically, neither Foster nor the trustees remembered or understood that the original justification stated by Fredrick Goff of the Cleveland Trust for the establishment of community foundation was to rid the world of mortmain, or “Dead Hand,” trusts. Indeed, this was the very rallying cry that trust company executives used to convince the public of their civic concern. Community foundations supposedly existed to take from donors the private authority to name any recipient or cause for a trust and to socialize that power by putting it in the hands of community representatives presumably more attuned to general community needs. Currently, donor-advised and donor-directed funds dominate the portfolios of modern day community foundations, circumventing the reason for community foundations in the first place. The early history of the Indianapolis Foundation shows that this counter-productive mix-up started long ago.

A pointed exchange occurred when the trustees next declined a large request from Salvation Army Major W. B. Sowers. Foster reported to the trustees the funding request from the Salvation Army for a summer camp for poor mothers and their children called the “Fresh Air Camp.”<sup>14</sup> Sowers asked for \$15,000 [\$165,000 CD] to pay off the Army’s

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<sup>13</sup> Eugene C. Foster, “Director's Report to the Board of Trustees , Indianapolis Foundation, February 12, 1924,” Box 1/5.

<sup>14</sup> Foster, “Director's Report to the Board of Trustees , Indianapolis Foundation, February 12, 1924,” Box 1/5.

mortgage on the property and to fund a year's expenses.<sup>15</sup> The trustees felt that the request "did not seem to be within the scope of our work."<sup>16</sup> Sowers responded "I deeply regret that your Trustees do not consider our request within the scope of your work. It is not quite clear to me just what scope your work covers [...]."<sup>17</sup> The truth was, at this point in the foundation's evolution, the scope of that work was also entirely unclear to its own director and trustees.

As directed, Foster followed up with the Public Health Nursing Association and in February 1924 gave them the promise of foundation support for naming of James E. Roberts Nurse.<sup>18</sup> The cost was estimated at around \$3,000 [\$33,000 CD] and Foster seemed to think that was a reasonable amount to pay. However, from February to April, the trustees had postponed or cancelled several meetings and a decision still was not made. On 24 April, the trustees ordered Foster to obtain a more extensive report on the work that the Public Health Nursing Association was involved in as well as details on its staff and operations.<sup>19</sup> The trustees took a year to make a \$3,000 decision to help these crippled children, despite the fact that James Roberts had specifically designated funds for such a cause in 1923, and that the foundation had over \$32,000 in total funds to disburse. Even though the toll the polio epidemic had taken on the children was evident in the large number of them who became handicapped, the board did not feel a sense of

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<sup>15</sup> Eugene C. Foster, by Major W. B. Sowers, January 31, 1924. 1924, Letter requesting funds for "Fresh Air Camp," Box 1/5.

<sup>16</sup> Letter by Foster, Box 1/5.

<sup>17</sup> Letter by Sowers, Box 1/5.

<sup>18</sup> Eugene C. Foster, by Mrs. Henry B. Heywood, February 25, 1924. Letter to Foster welcoming the foundation's proposed support, 1/5.

<sup>19</sup> "Meeting of the Trustees of the Indianapolis Foundation," December 1 April 25, 1924, Box 1/5.



urgency to address this need until it was brought to their attention by other concerned citizens.

The following May, the board was given reports from both Foster and Edna Hamilton, superintendent of the Public Health Nursing Association. In addition to funds for nursing help for crippled children, Hamilton asserted that the need “for a special school for crippled children in Indianapolis is imperative. Of the 335 cases visited by the Public Health Nursing Association, 229 were of school age. Fifty-three were unable to attend school, and twenty-five had never been to school.”<sup>20</sup> She believed that such a school should be part of the public school system and be built and equipped with private monies to meet the children’s special needs.

Although the trustees did not comment on the school at this time, Hamilton’s vision struck a chord with the trustees and the Roberts estate just a few years later. Trustee Henry Bennett expressed his opinion that the funding should be granted for the new nursing position because “this particular work seemed especially appropriate inasmuch as Mr. Roberts had expressed an especial interest in the crippled child and he [Bennett] trusted that this would be emphasized in any publicity which might be made in connection with the initiation and maintenance of this work” (wording in original document). Clearly, multiple foundation trustees coveted favorable publicity for their organization and for themselves, often to the detriment of effective charitable action of any kind.

The trustees did finally agree to fund the James E. Roberts Nurse for Crippled Children, but with specific conditions. The foundation would be “providing monthly

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<sup>20</sup> Edna Hamilton, *P.H.N.A. Care of Crippled Children* (Indianapolis: Public Health Nursing Association, 1924), Box 1/5.

salary, equipment and care for one year, not to exceed \$3,000 [\$33,000 CD]; that there should be a clear understanding that the work for the crippled children is extended and that the Foundation is not meeting the expenses of the work already being done in this field.”<sup>21</sup> With those conditions clearly outlined and with an unabashed emphasis on favorable publicity for their belated good works, the trustees were clearly warning all potential recipients that they would not fund current programs and were only interested in new programs that had the highest potential for positive public relations.

In June 1924, the trustees changed their opinion on a request they had rejected eighteen months earlier on the grounds that the foundation should not fund programs that should be funded by the government. The sub-committee for an Indianapolis Employment Bureau, headed by the persistent Stanley Roth, sent a letter to J. K. Lilly requesting foundation assistance in creating the bureau because they had already been rejected by both government and charitable funders. However, the budget had grown substantially, from the original \$4,700 [\$52,000 CD] to \$12,000 [\$132,000 CD], with the justification for the increase due to the need for more agency personnel in the face of a weak economy. While Roth and his sub-committee members made their case to the trustees, two of the most prominent trustees lent their support. Efroymsen stated that “social agencies would be greatly benefitted by such a bureau.” J. K. Lilly gave conditional support, saying that the foundation “would consider this matter only as a demonstration plan.” After the sub-committee was excused, the trustees reversed their earlier position and agreed to fund the bureau quite cautiously for only one year,

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<sup>21</sup> “Minutes of the Meeting of the Trustees of the Indianapolis Foundation,” December 1 May 6, 1924, Box 1/5.

beginning in September.<sup>22</sup> Part of this change of attitude could be because of Roth's persistence and his ability to convince others, and part could be due to the fact that the foundation was flush with a large amount of money that still had not been used in any philanthropic way. The trustees desperately needed a project that was acceptable in order to show the public that their philanthropy was actually doing something. In addition, Roth had assured the trustees of some protection from the anger of the trade unions by explaining that the bureau would not focus on the skilled laborer, but the "placement of unskilled and semi-skilled labor, both male and female" and that, in the bureau's facility, "there should be a physical separation between male and female applicants."<sup>23</sup> Here, it would appear that Roth was playing to the trustee's presumptuous fear of lower-class promiscuity and immoral behavior, a common belief system of elitist American philanthropists of the era. Whatever the trustees' reasons for approving the funding, they ignored Foster's previous warning that the foundation should not become involved in any effort that might require their ongoing financial commitment. His warning was well warranted, because it would be several years before the Indianapolis Foundation would free itself as the main financial supporter of the Indianapolis Employment Bureau.

1924 was also the same year of the first arts organization request for support from the foundation. In a letter from the Little Theatre Society of Indiana, its president, Mrs. R. S. Sherwood, requested the foundation's help in purchasing a building for the theatre company. With little discussion, the board rejected the request outright on the basis that

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<sup>22</sup> "Meeting of the Trustees of the Indianapolis Foundation," June 17, 1924, Box 1/5.

<sup>23</sup> J. I. Holcombe Stanley Roth, John F. White, "Tentative Plan of the Organization and Budget for an Indianapolis Employment Bureau," June 17 1924, Box 1/5.

“it was not within the province of this Foundation to render this assistance.”<sup>24</sup> It is not clear that anyone at this time really knew what the limits of the foundation’s activities might be as the trustees had already reversed their opinion on the employment bureau. Although they rejected the theatre’s proposal because funding of the arts was not part of their by-laws or charter, nine years later they violated their charter and their own precedent when they funded the Indiana State Symphony Society in 1933, at the height of the Great Depression.

So why did they reject the theatre then and fund the symphony later? A report by Foster in January of the following year stated that the theatre was rejected because “its service and interest affect too limited a group for the use of Foundation funds.”<sup>25</sup> It probably did not help that Mrs. R. S. Sherwood was not listed in the Blue Book of Indianapolis, so her social status, compared to the rank of those lobbying for the symphony, was surely deemed inferior. Also, most American urban theatres evolved out of the vaudeville tradition and were historically places only men frequented for racy entertainment. A decent, respectable, rich man, like the ones who sat on the board of the Indianapolis Foundation, would not be caught dead in such an establishment, or at least conspired to keep up appearances as such. Uplifting music, especially as provided by symphony orchestras, was a much more socially acceptable and less controversial art form, especially since only a small number of the wealthy could and did attend such performances.<sup>26</sup> As we will see, the trustees bent all sorts of rules and outdid themselves

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<sup>24</sup> “Meeting of the Trustees of the Indianapolis Foundation,” June 17, 1924, Box 1/5.

<sup>25</sup> Eugene C. Foster, “Director's Report to the Board of Trustees , Indianapolis Foundation, January 15, 1925,” Box 1/5.

to justify funding of the Indianapolis Symphony while thousands of city residents suffered during the worst economic collapse America had ever experienced.

The foundation's support of a nurse for crippled children paid public relations dividends almost immediately. Foster reported to the trustees in June that he had heard no negative comments about their support and "several people have verbally expressed themselves as feeling that the Foundation has done a very considerate and wise thing in honoring Mr. James E. Roberts in that manner. A letter was written to Mrs. Roberts before any publicity was given to this matter and she called our office and expressed herself as very appreciative of this action."<sup>27</sup>

At the same meeting in June 1924, Gustave Efroymsen announced that he was leaving the next day to travel to Europe. Understanding the importance of keeping good relations with the foundation's donors, the trustees suggested that he try to meet with Alphonso Pettis to gain "some thought as to how [he] would like to have the fund employed which he has placed at the disposal of the Foundation."<sup>28</sup> The next day Foster sent a letter to Alphonso Pettis, who was now 94 years old, requesting such a visit. This visit was to show the board's appreciation for Pettis' "expressed interest in and contribution to the Indianapolis Foundation. If Mr. Efroymsen is fortunate enough to have an interview with you I trust that he may learn in what way our Foundation Board

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<sup>26</sup> Popular mockery of such elite cultural pretensions became a stock component of American comedy best seen in the vaudeville performances (and later movies) of the Marx Brothers and the Three Stooges. These were comedians who took manic delight in vilifying the pretensions of society men and dames backing symphonies, opera companies and ballet troops.

<sup>27</sup> Eugene C. Foster, "Director's Report to the Board of Trustees, Indianapolis Foundation, June 17, 1924," Box 1/5.

<sup>28</sup> "Meeting of the Trustees of the Indianapolis Foundation," June 17, 1924, Box 1/5.

may follow out such thought and inspiration which prompted you to make this magnificent gift to Indianapolis through our Foundation.”<sup>29</sup>

On 24 July 1924, from the Grand Hotel du Parc in St.Martin-Vesubie, France, Alphonso Pettis wrote to Gustave Efroymsen, who was visiting Paris and staying at the swank Claridge Hotel. Responding to a letter from Efroymsen on 7 July about a possible visit while he was in France, he thanked Efroymsen for his “kind intentions” and that he would be glad to meet with him but that he was “afraid that was impossible.” Vesubie was located 40 miles north of Nice and evidently was considered a remote area. Although Pettis stated that he only stayed there a few months of the year for the clean air, he also explained that “[...] everything here is primitive. There are no modern comforts whatever.” He also reminded Efroymsen that he was born in central Massachusetts on August 16, 1830, and that although he was almost 94, he was in good physical condition except that his sight and hearing were “greatly impaired,” and he considered both “a serious handicap.”<sup>30</sup>

The next official meeting of the trustees was not until three months later, on 26 September. Foster reported that from July to September, the funds available in the Pettis trust grew from \$19,125 to \$24,599 [from \$209,000 to \$270,000 CD], more than a 25% increase in just three months. The Roberts trust available funds grew from \$27,920 in February to \$46,095 [from \$307,000 CD to \$507,000 CD] in September, an almost a 60% increase in seven months. Even after subtracting the expenses and funding obligations for September, the amount available to fund worthy causes was more than \$70,000

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<sup>29</sup> Alphonso P. Pettis, Letter, by Eugene C. Foster, June 18. 1924, Letter to ask for visit between Efroymsen and Pettis in France, Indianapolis Foundation Private Archives.

<sup>30</sup> Gustave A. Efroymsen, Typed letter, by Alphonso P. Pettis, July 24, 1924, Pettis File, Letter about Gustave Efroymsen visiting in France, Indianapolis Foundation Private Archive.

[\$769,000 CD] and growing.<sup>31</sup> Now the trustees faced accumulating financial pressure to decide who would finally be worthy of their elite largesse.

Perhaps emboldened by the scent of money and the news about the commitment the trustees made to the creation of the Indianapolis Employment Bureau, the Indianapolis Chamber of Commerce made a request for assistance. With supreme irony, this bid came from one of the richest organizations in the city. It was also self-serving, as the program the Chamber proposed would directly benefit its own members, the businesses and industries of Indianapolis. The Chamber's Education Committee had decided that it was most urgent to "deal with the problem of vocational counseling and dissemination of vocational information." This situation was, in their estimation, so intolerable that "Indianapolis could no longer maintain a passive attitude toward a problem so basic to its social, educational and economic welfare [...]." Reflecting the times, the list of jobs that they considered vocational included many that today we might consider professional, including banking, nursing, teaching, journalism and publishing. Others were the telephone industry, department stores, and printing.<sup>32</sup> Like so many philanthropic agencies of the era, the Indianapolis Foundation actually sought to promote and deepen the professionalism of American society and economy, with the chief beneficiaries of such endeavors being the adroit, schooled and upwardly mobile members of the middle-classes.

The dropout rate in Indianapolis high schools was too high and intolerable, a concern as common among elite U.S. philanthropists in 2011 as it was 100 years ago. To

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<sup>31</sup> Eugene C. Foster, "Director's Report to the Board of Trustees , Indianapolis Foundation, September 26, 1924," Box 1/5.

<sup>32</sup> Josiah K. Lilly, by Henry L. Dithmer, July 14. 1924. Letter expressing a need for vocational education in Indianapolis, Box 1/5.

address this problem, the trustees decided that the target for all educational improvement efforts would be young people ages 15-19 who were in grades 9-12. They would further restrict their efforts to “(a) the most talented and (b) the most needy.” Specifically, the purpose of the initiative was two-fold:

- (1) to enable those of the most talented to continue their school work who would otherwise for financial reasons have to drop out, and
- (2) to enable all who would have to drop out to determine more judiciously which vocational field to enter.<sup>33</sup>

Here is an excellent local example of U.S. philanthropies’ historic preoccupation with articulating, sharpening and enforcing class distinction in American society.

The chamber had already begun activities to move this project forward, such as finding part-time job opportunities for youth so they could finish school, securing college scholarships for eleven high school graduates, creating seven pamphlets on different vocations, and gaining cooperation from principals of several technical high schools in Indianapolis to assist in a program of vocational counseling.<sup>34</sup> The total cost of the program they proposed, titled the Indianapolis Vocational Bureau, was \$22,000 [\$242,000 CD], of which only \$5,000 [\$55,000 CD] was budgeted for scholarships. There were three stated objectives, the first two being to “reduce social waste in the community due to the high proportion of vocational and professional placement” and the second to “reduce the vocational turnover of young boys and girls.” These problems are never quantified or explained in detail, but they were used as smokescreens for the third and primary objective:

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<sup>33</sup> Letter by Dithmer.

<sup>34</sup> Letter by Dithmer.



To reduce waste in business due to:

Inability to get boys and girls when young to train  
definitely for vocations.

Inefficiency on the job attributable to improper placement.

Improper handling of “blind alley” people.

Improper consideration of “blind alley” jobs.<sup>35</sup>

“Blind alley” jobs were jobs deemed menial and with no chance for advancement, or “dead-end” jobs. “Blind alley” people were those thought to be mentally or physically handicapped, lacked motivation or sufficient intelligence, or were too lazy. The Chamber clearly desired a greater effort to make sure promising young people did not end up in “blind alley” jobs. At the same time, the Chamber sought to assure that “blind alley” people were properly allotted to labor and indoctrinated to accept their permanent positions in these “blind alleys.” Such thinking today would be abhorrent and politically incorrect, but the wealthy elite of the early 1900s had little real concern about the lives or feelings of the under-classes. The actions of the local commercial-philanthropic elite are even more reprehensible here in that they sought access to children at a young enough age to train them in what the business world deemed as their proper vocations, however limiting or demeaning. Here the early history of the Indianapolis Foundation aptly confirms Jacques Donzelot’s irreverent definition of “modern philanthropy” as the “consolidation [...] of all the forms of direction of the life of the poor, so as to diminish the social cost of their reproduction and obtain an optimum of workers at public expense.”<sup>36</sup>

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<sup>35</sup> Letter by Dithmer.

<sup>36</sup> J. Donzelot and R. Hurley, *The Policing of Families* (Johns Hopkins University Press, 1997), 16.

The trustees did not take action on the Chamber of Commerce request until their October meeting. Of course, deepening their charitable inaction, they declined to fund the entire project, but agreed only to consider “inviting an experienced Vocational Guidance worker to this city for a period of study” as recommended by Eugene Foster.<sup>37</sup> The offer was never taken, and less than a year later the trustees were advised by E. U. Graff, superintendent of the Indianapolis Public Schools, not to grant such support. He felt that the “vocational guidance field had thus far been largely experimental and not productive of satisfactory results and that it would be advisable for the Foundation to devote its attention and funds to work which provides more tangible results.”<sup>38</sup>

It is revealing that the Foundation trustees felt the Vocational Bureau program was well within their scope, given that the program would benefit businesses more than the citizenry as a whole. Just a month earlier, the trustees turned down a request by the Christamore Settlement House for the funding of part of a building in Haughville, on the west side of Indianapolis. This was, and remains in 2011, one of the most impoverished areas in Indianapolis. Christamore House existed to assist poor families with services. Although the amount requested was large, \$50,000 [\$550,000 CD], the trustees did not bother to offer any help at all to an organization whose mission was to help people help themselves.<sup>39</sup> Foster’s denial of their request asserted that “although our Board is much interested in the work which Christamore Settlement represents, and recognizes the high character of its work and leadership, it feels it can not, with its present limited income, supplement either the budgets of Member Agencies of the Community Fund or contribute

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<sup>37</sup> “Meeting of the Trustees of the Indianapolis Foundation,” October 14, 1924, Box 1/5.

<sup>38</sup> “Meeting of the Trustees of the Indianapolis Foundation,” February 10, 1925, Box 1/5.

<sup>39</sup> Eugene C. Foster, by Larz A. Whitcomb, July 11. 1924, Letter to the Indianapolis Foundation requesting funds for building completion, Box 1/5.

to their various capital expense accounts.”<sup>40</sup> Christamore got no funding, despite the report by Foster in September that the Foundation had more than \$70,000 at its disposal. But there was not much favorable public relations payoff to be had in funding poor people in a small area that the socially prominent generally ignored anyway. In addition, the foundation’s support could have been looked upon as charity rather than philanthropy, which was not within its alleged “scope.”

The trustees’ decision was complicated by the fact that Mrs. Carey wasn’t the only person in Haughville who decided to bypass the judgment of the foundation and go straight to Alphonso Pettis. Like Carey, Larz Whitcomb and the board of the Christamore House sent a letter to Pettis a year before requesting support. Pettis replied on December 23, 1923, and although the letter was not present in the records, the minutes of the meeting state that “much interest was manifested in the letter from Mr. Pettis.”<sup>41</sup> Whether this meant that Pettis expressed interest in supporting the Christamore House or whether the trustees were simply interested in what he wrote is uncertain. However, the Christamore House did not receive any funding from the foundation until 1936, two years after it funded the Indiana Symphony Orchestra Society. The amount was \$9,500 [\$130,000 CD] for a camp for children, a safe donation to make in terms of its all-important public relations. That was the only money the Christamore House received from the foundation until 1948, when the foundation gave \$2,213 [\$17,300 CD] for the same cause, which in real dollars was less than 15 percent of its contribution twelve years previous. By contrast, just a few years earlier, in 1944, the trustees gave more than double that amount, \$5,000 [\$54,000 CD], to the Indianapolis Symphony Orchestra, just

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<sup>40</sup> Letter by Foster.

<sup>41</sup> “Meeting of the Trustees of the Indianapolis Foundation,” November 11, 1924, Box 1/5.

a small payment in what would become a long and munificent tradition of funding that elite arts organization.

Another curious precedent was set during the October 1924 meeting of the trustees regarding the scope of the foundation's work. Reverend Charles Linders of the Church Federation of Indianapolis requested that the foundation purchase the Cadle Tabernacle property, which could eventually be demolished and a public auditorium built where "the public can be served by high class entertainments, presented at nominal prices. With the Foundation back of this movement, patronage is guaranteed."<sup>42</sup> However, the reverend's request may have been motivated more by religious intolerance than by any benevolence. His desire here was to rid the city of what he preserved as an aberrant place of worship. It was a built by E. Howard Cadle in 1921 in honor of his mother for the purpose of hosting traveling evangelists such as Billie Monday. Cadle lost control of it briefly in just a few years after it was built, which was during the time that Linders approached the foundation. His motivations might also have been driven by jealousy and competition, at the Cadle tabernacle had a seating capacity of 10,000 and attracted large crowds. Linders asserted:

[...] I am interested in the social and educational development of the citizens of Indianapolis. The Tabernacle is making no contribution practically to either, and is really a hindrance in the realm of religion. It has been used to foster and promote a type of religion which requires no culture, and, I might say, encourages ignorance. So far as its religious contribution to the city is concerned, it would have been vastly better if the Tabernacle had never been built."<sup>43</sup>

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<sup>42</sup> J. K. Lilly, by Rev. Charles H. Winders, October 4. 1924, Letter to request the purchase of the Cadle Tabernacle, Box 1/5.

<sup>43</sup> Letter by Winders.

The trustees did not comment on Winder's religious justification for the destruction of the Tabernacle, and declined to extend funding, perhaps fearing even the appearance of sectarian favoritism and the likelihood of unwelcome bad publicity or controversy of any kind. Drawing another line in the sand, they stated that "it was not the policy of the Foundation to purchase or own property, and that this request does not come within the scope of the Foundation program as now outlined."<sup>44</sup>

At this same time, there were major funding decisions made with little discussion. Contrary to their claim that they did not fund an organization's normal operating needs about which they were adamant when they funded the James E. Roberts Nurse for Crippled Children, they once again changed their "scope." On 9 October 1924, Arthur Baxter requested \$4,000 [\$44,000 CD] to fund the Indianapolis Community Fund, the precursor to the United Way. This was because, as he explained, "the current year will require larger funds than heretofore have been received, because of the unemployment that has existed in Indianapolis during this year. By the same token some of our business houses will be unable to respond as liberally as they have in the past, so that the taking up of the slack by such an agency as yours would be deeply appreciated and doubly valuable this year."<sup>45</sup>

Baxter's detailed one-page letter could have thoroughly convinced the trustees that they should give the agency \$4,000, which the trustees immediately upped to \$5,000 [\$55,000 CD].<sup>46</sup> If it had been deemed an urgent need, like the building for the Christamore House, the motivation for funding would have been clear. The true reason it

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<sup>44</sup> "Meeting of the Trustees of the Indianapolis Foundation," November 11, 1924, Box 1/5.

<sup>45</sup> Eugene C. Foster, by Arthur R. Baxter, October 9, 1924. Request for funds for the Indianapolis Community Fund, Box 1/5.

<sup>46</sup> "Meeting of the Trustees of the Indianapolis Foundation," November 11, 1924, Box 1/5.

the trustees supported it was that it was simply a safe agency to fund, with no foreseeable controversy attached and the foundation would reap very positive press for helping save the day. Plus, the foundation was flush with expendable funds that it needed to use soon, lest it be criticized for sitting on its fortune while doing nothing for the community. To fully understand the driving force behind the speed of approval and the size of the contribution, one needs to look no further than the left side of the Indianapolis Community Fund letterhead on which Arthur Baxter sent his plea for support. Its General Campaign Committee read like a Who's Who of the Indianapolis Foundation trustees and founders, including J. K. Lilly, G. A. Efroymsen, Henry Hornbrook, and the main figure behind the creation of the Indianapolis Foundation, Evans Woollen.<sup>47</sup> No doubt the "scope" of acceptable foundation assistance now included kindred organizations in which the Indianapolis Foundation trustees also became personally involved.

By November of 1924, the Indianapolis Employment Bureau was finally up and running, but was rife with problems. The bureau had processed 832 applicants, pointing out that 64 were "colored," but they had only placed a total of 65, with another 155 sent to job interviews. Most problematic was an embarrassing incident where "one of the men placed through this Bureau last week stole a truck belonging to the employer who sought this Employment Bureau for help, and such incidents of course tend to bring some criticism upon the Bureau."<sup>48</sup> This funding choice was not exactly reaping the enhanced public relations return the foundation trustees so carefully sought and cultivated.

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<sup>47</sup> Letter by Baxter.

<sup>48</sup> Eugene C. Foster, "Director's Report to the Board of Trustees, Indianapolis Foundation, November 11, 1924," Box 1/5.

As 1924 wound down, the trustees expanded the funding of assistance to crippled children with \$2,000 from the James E. Roberts trust to start an Orthopedic Appliance Shop to supply leg braces at a location within the Riley Memorial Hospital. The foundation also had much to publicize from its support of the James E. Roberts Nurse for Crippled Children. To date, the nurse had made 291 calls to 71 children, transporting 52 of them to clinics and hospitals for care. While 26 were not attending school, 80 were attending school, yet having a difficult time due to their handicaps. Members of the public suggested again that a school expressly for these children should be built.<sup>49</sup>

The Indianapolis Employment Bureau was not proving to be as successful. By December, they had amassed 1,232 applicants, 107 of them “colored,” but had only successfully placed 132 in permanent jobs and 106 in temporary jobs. Foster offered mitigating circumstances for the low performance, insisting that “these placements seem low but the Bureau is still new and not very well known.” Much to the board’s relief and pleasure, he shared that despite the current performance of the program, it seemed to be a public relations hit with commercial publications from which there had been “considerable good publicity.” However, Foster must have been concerned about the effectiveness of the bureau, as he suggested that an investigator be hired to “follow the placements of this Bureau so in order that we may know after six months just what has been accomplished by the Bureau.”<sup>50</sup> Foster was way ahead of his time in insisting not only on the evaluation of a program’s effectiveness, but also in asking the funder to pay

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<sup>49</sup> Eugene C. Foster, “Director's Report to the Board of Trustees , Indianapolis Foundation, December 9, 1924,” Box 1/5.

<sup>50</sup> Foster, “Director's Report to the Board of Trustees , Indianapolis Foundation, December 9, 1924,” Box 1/5.

for such an evaluation. Today, program evaluation is a small but quickly growing area of philanthropy.

During its first year with a director the foundation also had its share of requests for bizarre and unproven projects that promised fantastic results. One was from Dr. Charles Emerson, dean of the Indiana University School of Medicine in Indianapolis. Emerson wrote to make the trustees aware “of the problem of Mental Hygiene, especially as it relates to children, as one of the most promising fields in which medical and social organizations and institutions may cooperate with promising results.” His zeal was almost prophetic, as he claimed that “advances in medicine of the past few decades have made Mental Hygiene actually possible.” He offered impressive statistics, insisting that through Mental Hygiene “the 50% efficient may become 60% or 70% efficient and the genius 90%” more efficient, yet he did not offer any statistical proof of these claims.<sup>51</sup>

Without really ever stating what is meant by “Mental Hygiene,” nor offering an explanation for the process of its improvement or evidence of its success, Emerson makes the suggestion that “if the Indianapolis Foundation would provide a very well trained psychiatrist case worker who could work with the organization of Indiana University [...] and study the children from Indianapolis admitted to the Robert W. Long or James Whitcomb Riley Hospitals and the City Dispensary. [...] this work would because of its fundamental accuracy and the thoroughness, soon assume an importance which would far more than justify the expense involved.”<sup>52</sup> He did not state what the expense of such a program would be or how it would be justified.

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<sup>51</sup> Eugene C. Foster, by Dr. Charles P. Emerson, October 23, 1924, Letter describing the wonders of “Mental Hygiene,” Box 1/5.

<sup>52</sup> Letter by Emerson.



Foster seemed to be in favor of Emerson's proposal, having pressed the trustees for several months about funding psychiatric and mental health clinics in Indianapolis. He believed that, based on Emerson's letter, they should also "extend our service to the clinics at Robert Long and City Hospitals" and encouraged more discussion on the subject.<sup>53</sup> However, according to the meeting minutes, the board failed to bring it up for discussion.

Even more "Barnum-esque" was a claim by a Mr. H. F. Dunn that he had invented a way to cure cancer and organic diseases through the use of electromagnetic wave action. Such a treatment is still often claimed as a cure today, although there is no scientific evidence to support its effectiveness. When Dunn was asked for supporting documents from physicians, he contacted Emerson at Indiana University, the promoter of "Mental Hygiene," but even Emerson declined to comment on his credibility.<sup>54</sup> The trustees unanimously voted down the request with the standard explanation that the "request does not properly come within the province of this Foundation."<sup>55</sup> As we will see, the definition of that "province" continues to shift in close accord with the personal whims and tastes of the foundation's elite trustees.

Rather than be proactive in understanding the community's needs, Foster and the trustees consistently responded to pressure from close associates, business interests, and donors, always weighing the potential of each program as an opportunity for positive local press. Reviewing the programs funded so far, we see a definite pattern. Mrs.

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<sup>53</sup> Foster, "Director's Report to the Board of Trustees , Indianapolis Foundation, November 11, 1924," Box 1/5.

<sup>54</sup> Foster, "Director's Report to the Board of Trustees , Indianapolis Foundation, December 9, 1924," Box 1/5.

<sup>55</sup> "Meeting of the Trustees of the Indianapolis Foundation, December 9, 1924," Box 1/5.

Roberts expressed her displeasure at the lack of use of her husband's bequest, and the foundation responded by funding a program to help crippled children. This action not only satisfied an important donor, it was also perfect for a heart-warming newspaper story. The funding of the long-established Indianapolis Community Fund was a foregone conclusion because several Indianapolis Foundation trustees were personally associated with the organization. In addition, the foundation's trustees stood to be revered for pulling the organization out of the red, positioning them as heroes in the eyes of the citizenry. The promise of favorable publicity was also blatant in some of the appeals made to the foundation, most of which were effective enough to secure funding. This was certainly true of the efforts to create the unemployment bureau, in addition to the fact that the bureau fit well into the "before you feed a starving man, teach him to fish" philosophy of philanthropy so esteemed by the elites of the day. However, if you were an organization that offered summer camps to poor mothers and their children, or a house that served one of the poorest neighborhoods in Indianapolis, or a fledgling arts organization that catered to the lower-classes, that was not within the scope of the foundation's work. Over the next decade, the Indianapolis Foundation's trustees continued to attempt to define and justify their fickle funding goals, often with bizarre and dumbfounding results.

## **Chapter 5: The Formative Years before the Funding of the Indianapolis Symphony Orchestra, 1925-1933**

Direct evidence that at least one of the founders felt that funding of the arts was within the Indianapolis Foundation's province came from an article in the *Cleveland Press* in January of 1925. This piece highlighted Evans Woollen's role in the creation of the foundation, and he stated that there should be very few "strings attached" to donations to the foundation. However, donors should be allowed to "name the general purposes – health, art, education – let the foundation pick the specific institutions or other instrumentalities to carry out the purposes. Institutions, hospitals, museums, etc, come and go. General purposes do not. Neither does the foundation."<sup>1</sup> It does not appear, however, that the trustees thought the same way for the first nine years of funded operations, as evidenced by their rejection of funding for the theatre group in 1924.

By 1925, a full year had passed since Foster's appointment as the new director of the Indianapolis Foundation and judging from his reports he was becoming bolder in his recommendations to the board. Foster summarized the work of the foundation during its first year of funding in his January report, championing causes that had not been funded, but had been discussed. One of those causes was the promise of the practice of "Mental Hygiene." Even though Dr. Emerson gave little information as to what "Mental Hygiene" was, he certainly had a convert in Eugene Foster. In January 1925, Foster communicated to the trustees that he felt Dr. Emerson's vision could not be carried out in the current social programs that served the poor, because the children there did not meet the criteria

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<sup>1</sup> Carlton K Matson, "Hoosier Fund Receives Aid of Rich Trio," *The Cleveland Press*, January 25, 1926, - Woollen Collection, Indianapolis Marion County Public Library, Unprocessed collection.

that Emerson had outlined that identified the types of children who had the highest potential to benefit from such a program. As Foster explained, “the problems of feeble mindedness and mental maladjustments occur most frequently in the homes where there are problems of child welfare and relief [...]”<sup>2</sup> Emerson was very explicit that children with handicaps of any sort were not the focus of his miraculous “mental hygiene” therapy. Foster suggested that as a first step in this direction, the trustees should consider paying for a person to study adult mental patients in the City Hospital at a cost of \$6,000 [\$64,000 CD].

Part of the attraction of Emerson’s program to the foundation no doubt came from the far broader popularity of “eugenics,” especially in the conservative Midwest. Elite medical opinion held that although the feeble and weak should be taken care of, they would never contribute much to society and should not be allowed to propagate. The eugenics movement and its solutions to curb propagation of inferior races and undesirables involved several countries in the world and their science professionals.<sup>3</sup> Justifications proliferated for the sterilization of such undesirables. This movement peaked in the 1920s and the foundation’s associate, Fr. Frank Gavisk, became instrumental in such cleansing campaigns. American eugenics became a focal point of foundation philanthropy, revealing the perennial popularity of social science schemes to the “benevolent” in the U.S. Under the impress of eugenics, elite philanthropists believed that productive resources should be focused on those who had the ability to make the greatest contributions to humankind. It is this elitist thought leadership that so fired the

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<sup>2</sup> Eugene C. Foster, “Director’s Report to the Board of Trustees , Indianapolis Foundation, January 13, 1925,” Box 1/5.

<sup>3</sup> Dr. Henry Fairfield Osborn, “The Second International Congress of Eugenics Welcome Address,” *Science, American Association for the Advancement of Science* 54, (1922), 311-313.

imagination of Dr. Emerson and like-minded philanthropists anxious to promote a more “mentally hygienic” population. The board must have been convinced by Dr. Emerson’s promising, but unsubstantiated, claims and Foster’s equivalent enthusiasm and sense of urgency, because it funded two psychiatric workers: one at City Hospital to observe all patients admitted to detention, and one for the Robert Long Hospital and Riley Memorial to study children showing signs of mental illness. A total of \$6,000 [\$64,000 CD] came from the foundation to fund this work.<sup>4</sup> This funding decision also reveals that both Foster and the trustees relied heavily on the opinions of experts and did little investigation of their own into the validity of the research they subsidized so generously. The trustees expressed to Dr. Emerson that they funded a mental-hygiene worker “with the thought that her study and findings would help direct our Board in their desire to be helpful in the field of Mental Hygiene in some program which may eventually develop.”<sup>5</sup> Further justification for the foundation’s involvement came from public health official Herman Morgan, M.D., who wrote to Foster that his board “expressed great appreciation for the assistance rendered by the Indianapolis Foundation in bringing about a better service in the mental hygiene field.”<sup>6</sup> For foundation agents, deeper engagement in the study and resolution of aberrant or counter-productive mental states, especially among the lower classes and children, constituted a viable and worthy long-term commitment. Energized by the incontrovertible opinions of esteemed medical men, the trustees naturally wanted to help the mentally deficient by classifying their problems and, ideally,

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<sup>4</sup> “Meeting of the Trustees of the Indianapolis Foundation,” January 13, 1925, Box 1/5.

<sup>5</sup> Charles P. Emerson, by Eugene C. Foster, January 28, 1925. Notification of funding for “Mental Hygiene” professionals, Box 1/5.

<sup>6</sup> Eugene C. Foster, Letter, by M.D Herman Morgan, January 29, 1925. Acknowledgement of support for “Mental Hygiene” professional, Box 1/5.

teaching them how to think in a more productive manner. Although this pretentious initiative might offend the poor and feeble, that population had little public voice and no countervailing influence. The media, of course, was primed to praise those who sought philanthropically to improve the social behavior of others, especially lower-class impressionable children.

A year earlier, the foundation had taken up the idea of creating a facility for crippled children. Discussions on the matter grew more serious, and by February 1925, the Superintendent of Indianapolis Public Schools had become fully engaged in the planning of the project, even visiting Chicago to see what that city was doing about the problem. He became convinced that the type of school that was needed was one that could offer expanded service to children with other disabilities such as defective hearing or speech. He even mentioned the need for new “fresh air” schools for children with tuberculoses to supplement city school systems inadequate to handle these challenges. There had already been similar studies in Chicago, and Harvard University even offered specialized courses for teachers to promote the physical training of crippled children. The foundation’s board voted to move forward with a survey of crippled children in Indianapolis so that “a more careful study could be made of our defective groups of school age [...]” They also agreed to support transportation for crippled children to attend school for another year, as well as site visits to other schools that were working with crippled children.<sup>7</sup> The preoccupation here with “defective” segments of society shows how fully the Indianapolis Foundation embraced the scientifically philanthropic obsession with curing physical, mental and spiritual deficiencies of economically displaced and socially disadvantaged people.

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<sup>7</sup> “Meeting of the Trustees of the Indianapolis Foundation,” January 13, 1925, Box 1/5.

The foundation's serious investment in the Indianapolis Employment Bureau failed to return the commercial social benefit the trustees had envisioned. At the end of January 1925, the bureau had signed up 374 employers seeking employees among 2,412 job seekers. The foundation's investment had only secured permanent employment for 97 people, while 163 were given temporary employment. The foundation moved to take full ownership of this endeavor, pressing on past an experimental stage. Foster was now referring to it as "our Employment Bureau."<sup>8</sup> Despite these disappointing results, the foundation persisted in funding the bureau as advocated by the Chamber of Commerce. The extent to which Chambers of Commerce shaped the funding priorities of "community" foundations deserves closer investigation in Indianapolis and other American cities, but that research area is beyond the scope of this dissertation.

A special meeting of the foundation trustees was convened to discuss the long-term subvention of an employment bureau. The trustees sought out Dr. John Brewer, director of the Bureau of Vocational Guidance at Harvard University, for his expert advice on the matter. Dr. Brewer had spent the previous two days visiting and interviewing people associated with the proposed Vocational Bureau, including the Chamber's sub-committee backing the bureau. True to the trustees' penchant for more reports over charitable action, it was agreed that Dr. Brewer would submit yet another report on the feasibility of a Vocational Bureau in Indianapolis. Brewer agreed to charge \$150 [\$1,600 CD] for the study plus his expenses, and felt that he had "covered the

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<sup>8</sup> "Meeting of the Trustees of the Indianapolis Foundation," January 13, 1925, Box 1/5.

ground enough to submit a recommendation.”<sup>9</sup> The Indianapolis example confirms the general, catalytic role of early U.S. community foundations in translating and applying academic professional expertise to the social and bureaucratic problems of effective municipal government. Monies spent there nurtured new crops of middle-class experts while doing little to redress the real social ills those experts discovered.

Brewer submitted his report on 27 February 1925, and immediately commented on the lack of trust toward the Chamber of Commerce by those who ran the city’s schools. Clearly noting popular suspicion of the Chamber’s motives, Brewer reported:

As you may have guessed the school people raised at once the question about the Chamber of Commerce Committee. Evidently there is great doubt among them on the Chamber’s support of school policies. The school people were not quite confident that the Committee’s administration of the bureau would be for the benefit of the schools. [...] I jokingly told them that I had little thought that I was to play the role of an industrial arbitrator and of course I could not be expected to do so. [...] The school people seem to have the idea that the Committee wants to get children into factories and stores as early as possible and are not interested in introducing vocational guidance into schools.<sup>10</sup>

Such excellent testimony reveals fully in a U.S. urban context how “philanthropic” interventions by experts tended to exacerbate, rather than diffuse, the burgeoning civil wars between the goals of contending, professionalizing classes, such as educators and businessmen. These conflicts over how the youth of the city should be educated and for what careers they should be prepared were ongoing battles over who would control the

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<sup>9</sup> “Minutes of Special Meeting of Indianapolis Foundation,” February 24, 1925., Box 1/5; Eugene C. Foster, “The Director’s Report to the Board of Trustees, Indianapolis Foundation, March 17, 1925,” Box 1/5.

<sup>10</sup> Eugene C. Foster, by Dr. John M. Brewer, February 27, 1925. Recommendations concerning the Indianapolis Vocational Bureau, Box 1/5.



economic development of cities and the future lifestyles of their soon-to-be modern urbanites.

Brewer had spent more than two intense hours with the representatives of the schools attempting to convince them that a trustworthy director would be put into place who would be subject to their oversight. He assured his listeners that checks and balances on the Chamber would be put in place. In fact, Brewer recommended that the Indianapolis Foundation appoint an administrative board to oversee the bureau. He felt the schools would be more comfortable if this board drew no members from the Chamber of Commerce.<sup>11</sup>

This project became even more controversial and public debate grew sharp. Indianapolis newspapers had a field day with the debate and accusations were cast on both sides. Like so many crusading “philanthropists” before them, the trustees of the Indianapolis Foundation stoked opposing camps in civil strife rather than provide direction to the community. The foundation got caught in a battle of public interests it helped foment, foisting public acrimony upon the trustees and the one thing they most feared -- negative press. Eugene Foster recommended against the bureau, but did not use bad public relations as the real reason. In fact he side-stepped it completely, stating instead that decisions were based on his subsequent meetings with school representatives:

[...] it seemed to be the consensus of opinion that this proposed plan for a Vocational Bureau for Indianapolis is perhaps too theoretical and indefinite to warrant the expenditures of so large a budget as the Subcommittee and Dr. Brewer’s report recommend. We are anxious as a foundation, I am sure, to meet the most outstanding needs and to use our available funds as far as possible to produce tangible results in better living and living conditions in this community, but I am not convinced by Dr. Brewer’s report that this field of work at the present time has reached a point of

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<sup>11</sup>Letter by Brewer.

development to warrant so large a proportion of our fund as this report recommends.<sup>12</sup>

Foster never mentioned the real tension between the two sides. The reason he gave for abandoning the project was a reflection of the previous opinion of E. U. Graff, superintendent of the Indianapolis Public Schools, who six months earlier claimed that the programs in vocational guidance were still experimental and not something the foundation should invest in until results could be shown. The board of trustees agreed with Foster's recommendation, echoing his reasoning to abort the Vocational Bureau.<sup>13</sup> When Dr. Brewer learned of the foundation's decision and justification, he thanked Foster for the "explanation of the argument by which the Board reached its decision. Of course I am left wondering what the Board found more tangible and important than vocational guidance [...]."<sup>14</sup> Although the board unfavorably cited the lack of proof for tangible results from Vocational Bureaus, their retreat came in the face of determined opposition from professionalizing teachers unwilling to allow elite philanthropists and their experts to co-opt youth training for future careers. The schools had drawn a line in the sand of public opinion and won out against corporate interest.

Having dodged a public relations nightmare, the trustees moved on to less controversial decisions. Contemporaneously, Foster shared a letter from the executive committee of the Indianapolis Chapter, American Association of Social Workers. This organization requested support for a conference to be held in Indianapolis in 1926. The

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<sup>12</sup> Foster, "The Director's Report to the Board of Trustees, Indianapolis Foundation, March 17, 1925," Box 1/5.

<sup>13</sup> "Minutes of Meeting of Indianapolis Foundation," March 17, 1925, Box 1/5.

<sup>14</sup> Eugene C. Foster, by Dr. John Brewer, April 3, 1925. Letter acknowledging the decision not the fund the Indianapolis Vocational Bureau. Box 1/5.

social workers sought \$500 [\$5,375 CD]. With absolutely no discussion, the trustees unanimously voted to support the effort.<sup>15</sup> The reason for this quick decision was not obvious from Foster's report or the foundation's meeting minutes, but was easily revealed by the masthead of the letter sent to Eugene Foster from the association, which listed none other than the same Eugene C. Foster as its president.<sup>16</sup> Once again, another example of the Indianapolis Foundation trustee's making funding decisions based on cozy relationships rather than the merits of a proposal or request, a pattern that would be repeated numerous times throughout its early history.

By April 1925 the progress of the Indianapolis Employment Bureau picked up some momentum, with 405 placements out of more than 3,000 registrants for work. The study the foundation trustees had commissioned had already followed up on 100 placements and was starting work on another 100.<sup>17</sup> Its success was impressive enough to garner the attention of the Indianapolis Community Fund, which was considering taking over the funding of the bureau.<sup>18</sup>

Another project the trustees had been discussing for more than two years was the possibility of funding another local Health and Hospital Survey. They finally sought out the advice of medical professionals from institutions such as the State Board of Health, the City Board of Health, the Indiana University School of Medicine and the Marion County Tuberculosis Association. They all agreed that another survey was not needed as

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<sup>15</sup> "Minutes of Meeting of Indianapolis Foundation," March 17, 1925, Box 1/5.

<sup>16</sup> Eugene C. Foster, by Charles O. Lee, March 16, 1925. Letter requesting funds for support of Social Workers Institute, Box 1/5.

<sup>17</sup> Eugene C. Foster, "The Director's Report to the Board of Trustees of the Indianapolis Foundation, April 14, 1925," Box 1/5.

<sup>18</sup> Eugene C. Foster, by George E. Gill, March 30, 1925. 1925, Letter from Indianapolis Employment Bureau about Community Fund Budget Committee consideration, Box 1/5.

plenty of surveys had been done by other organizations. They were confident that Indianapolis was “conscious of its shortcomings in the medical field [...]” Dr. King, of the State Board of Health, did state what he felt were the four or five urgent health and medical needs of the community, among them “better facilities for venereal disease control.” Foster had sought from Dr. King “his thought regarding the most important contribution which the Foundation might make to the field of public health he [Dr. King] suggested that a better program for venereal disease would, he thought, bring more satisfactory results and meet a greater need than extending the work in any other division of this field.”<sup>19</sup> Such a program sponsored by the trustees of the Indianapolis Foundation could hardly have been expected to play well in the press, to say nothing of the trustees’ elite peers. Yet venereal disease was a serious problem in Indianapolis, so rather than ignore the recommendation, the foundation chairman, J. K. Lilly, did the only honorable thing an upstanding Protestant man could do in this situation -- he asked a Catholic, Father Gavisk, to look into the matter and give the board a recommendation.<sup>20</sup> Not surprisingly, the matter was never brought up again. Here we see the foundation trustees ignoring a local health problem deemed urgent by health professionals in order to avoid public controversy and embarrassing press coverage.

The nurse who was hired to help out with a study of “mental hygiene” was now running into some overwhelming issues that needed to be dealt with. She was caught off guard because she was “accustomed to work in private hospitals where the facilities are more adequate and more satisfactory than she finds in a city institution.” The number of

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<sup>19</sup> Eugene C. Foster, “The Director's Report to the Board of Trustees, Indianapolis Foundation, May 12, 1925,” Box 1/5.

<sup>20</sup>“Minutes of Meeting of Board of Trustees, Indianapolis Foundation,” May 12, 1925, Box 1/5.

patient cases she was expected to study were also overwhelming, with thirty different patients per month, or one a day. It was decided by the trustees that “only the more hopeful cases will receive intensive study by Mrs. Ballou – the senile and paretic cases which are not hopeful but which create quite as great a social problem to the community, will necessarily have to be neglected until a better service is provided for their care.” The foundation, however, would not be providing that service. Rather than fund another nurse to care for the worst cases, they decided to hire a stenographer to help Mrs. Ballou in her research.<sup>21</sup>

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<sup>21</sup> Foster, “The Director's Report to the Board of Trustees, Indianapolis Foundation, May 12, 1925,” Box 1/5.

## **Controversy with the Alphonso Pettis Fund: Indianapolis Public Schools versus the Indiana Trust Company. Philanthropy Tangles again with the Professions**

At the 12 May 1925 meeting, Foster made a recommendation for funding that once again reinforced the very self-interested reasons impelling trust companies to create the Indianapolis Foundation. The superintendent of the Indianapolis Public Schools had recently discussed the possibility of setting up a scholarship fund to help current high school students complete their education and help graduates afford college. Foster recommended that \$6,000 [\$65,000 CD] be granted for this cause from the Alphonso P. Pettis Fund.<sup>22</sup> The board agreed and directed that \$6,000 be granted for the next school year and that it “be known as the Pettis Scholarship *and to be placed under the direction of the Attendance Department of our Schools for distribution and supervision* [...] [emphasis added].”<sup>23</sup> The point here is that the foundation trustees had specifically stated that the scholarship funds should be placed under the control of the school, not the Indiana Trust Company which had released the funds for charitable use.

On 15 May the trustees were confronted with the issue of who controlled the trusts that were designated to benefit the foundation as well as the use the income from those trusts in the form of grants. Eugene Foster notified Mr. E.U. Graff, Superintendent of Indianapolis Public Schools, that the school system had been awarded \$6,000 [\$65,000 CD] for the Pettis Scholarships.<sup>24</sup> A check went out several days later, but not all parties agreed about where the funds would be deposited until the full distribution of the

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<sup>22</sup> Foster, “The Director’s Report to the Board of Trustees, Indianapolis Foundation, May 12, 1925,” Box 1/5.

<sup>23</sup> “Minutes of Meeting of Board of Trustees, Indianapolis Foundation,” May 12, 1925, Box 1/5.

<sup>24</sup> Superintendent Mr. E.U. Graff, Indianapolis Public Schools, Letter, by Eugene Foster, May 15, 1925, Letter notifying IOS of a scholarship grant from the Alfonso Pettis fund to IPS., Letter to About Pettis Scholarships for Indianapolis Public Schools. Indianapolis.

scholarships was completed. A classic struggle began between the patron trust company, the community foundation and its various recipients over control of the funds disbursed. It did not take long for bankers, represented by adroit lawyers, to become involved in the control of this philanthropic enterprise. On 6 June, Albert Baker, principal of the elite Baker & Daniels law firm, wrote a letter to Mr. C.R. Yoke, president of the Board of School Commissioners. Baker discussed the fact that J. P. Frenzel, president of the Indiana Trust Company, believed that:

Since the A.P. Pettis gift to the Indianapolis Foundation had been, by Mr. Pettis, put in the custody of the Indiana Trust Company to manage the principal, that it seemed natural and proper that the income from that fund, after its appropriation to this scholarship, should remain, until finally expended or paid to the ultimate beneficiaries, in the hands of the Indiana Trust Company.<sup>25</sup>

The importance to the Indiana Trust Company of the future interest and administrative fees resulting from these funds is blatant in this exchange. Baker found the trustees to be ambiguous regarding who was to control the funds in distribution. He held that although the letters and notes in the minutes indicated that the funds “be placed under the direction of the Attendance Department of our public schools for distribution and supervision,” and although the check was made out to IPS School Board Secretary Frank E. Reisner, the foundation had still not legally given the money to the school. However, it seemed to be clear that IPS had “a large, if not exclusive control” over the key decisions selecting the recipients of the scholarships. Baker felt that he could not

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<sup>25</sup> President Mr. C.R. Yoke, Board of School Commissioners, Letter, by Albert Daniels, June 6, 1925. Pettis Scholarship Fund File, Indiana Trust's Opinion of Pettis Scholarship Fund for IPS, Private Archives of the Indianapolis Foundation.

answer the question as to where the funds should be deposited without further direction from the foundation.<sup>26</sup>

There were two letters dated 25 June sent from Eugene Foster to C.R. Yoke. The first advised him that the foundation's trustees would discuss the decision regarding the deposit and administration of the \$6,000 check on 14 July. Foster asked Yoke to delay the deposit of the check until after that date.<sup>27</sup> The second letter addressed what the board's intention was when it awarded the grant to IPS. In it, Foster stated that the check was made out to Mr. Frank L. Reissner, who was Secretary of the Board of School Commissioners, and was to be administered by W.A. Hacker and the Attendance Department. Foster then closed with, "In connection with the depository of this fund I believe our Board should leave this entirely to the discretion of the [school's] department which controls the management of same."<sup>28</sup> In a third letter dated the same day to Henry Hornbrook, Foster asked Hornbrook to review the other letters and lend his approval. He then stated that J. P. Frenzel's insistence to have the funds deposited in the Indiana Trust Company was causing problems because it "involves a policy with the School Commissioners in allowing outside influence to designate depositories for their funds but they are anxious to take action in this matter as our Foundation Board of Trustees advise."<sup>29</sup>

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<sup>26</sup> Letter by Daniels. Indiana Trust's Opinion of Pettis Scholarship Fund for IPS.

<sup>27</sup> Eugene C. Foster, Letter, by W. A. Hacker, Between June 25 and June 30, 1925. 1925, Handwritten letter to Eugene Foster about Graff's anger toward Indiana Trust Company, Private Archives of the Indianapolis Foundation.

<sup>28</sup> Superintendent Mr. E.U.Graff, Indianapolis Public Schools, Letter, by Eugene Foster, May 15, 1925. Letter notifying IOS of a scholarship grant from the Alfonso Pettis fund to IPS, Indianapolis Foundation Private Archives.

<sup>29</sup> IF Trustee Mr. H. H. Hornbrook, Letter, by Eugene C. Foster, June 25, 1925, Letter Concerning Pettis Scholarship Deposit, Private Archives of the Indianapolis Foundation. Indianapolis.



In a rare glimpse of the power struggles between benefactor and beneficiary, a hand-written letter to Foster from W.A. Hacker, director of the Department of Attendance, at IPS, relates the anger of IPS Superintendent E. U. Graff, toward J. P. Frenzel and his bank:

On Monday, I went to your office and got the letter as you had dictated it to Miss Stone on Saturday. Mr. Graff approved it just as you wrote it - and I found him very bitter indeed, toward the bank for its part in the matter. His advice was that a fellow could go so far in acceding to unreasonable demands and that in order to preserve one's self respect he would have to rise up and tell somebody to go to h \_\_\_\_ and act accordingly.<sup>30</sup>

Graff's disgust with these self-serving bankers, especially the Indiana Trust Company and J. P. Frenzel, was palpable. The \$6,000 check was held and not deposited while the disagreement raged on. The scholarships, however, were awarded, with 13 going to Indiana college-bound graduates for a total of \$2,435 [\$26,000 CD]. The remainder of the \$6,000 was to be used to help high school students stay in school. Henry Hornbrook presented a letter from John P Frenzel, president of the Indiana Trust Company, concerning his belief that the money should be held by his company until final distribution. Hornbrook asked the trustees for their opinion on the matter.<sup>31</sup> The trustees sided with Frenzel, which is not surprising since most were simply agents of the trust companies with which they had professional and personal relations. Foster "was authorized to secure this check" from the secretary of the School Board of Commissioners. The School Attendance Department was then told that they could only

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<sup>30</sup> Letter by Hacker. Handwritten letter to Eugene Foster about Graff's anger toward Indiana Trust Company, Indianapolis Foundation Private Archives.

<sup>31</sup> Eugene C. Foster, "The Director's Report to the Board of Trustees, Indianapolis Foundation, July 14, 1925," Box 1/5.

request funds as they were needed from the Indiana Trust Company.<sup>32</sup> This is another glaring example of how the trust companies' desire for profit was the real catalyst that impelled trust company executives to create community foundations. The control of the foundation trustees by the trust companies is evident as well in the complicity of the foundation trustees' support of the Indiana Trust Company's control of over such a small amount of money until the very last cent was expended.

The trustees also strategized on how to get the most advantageous and self-glorifying public relations out of their benevolent action of establishing the scholarship fund. They first had to smooth the ruffled feathers of their friends and fellow elites at the Chamber of Commerce over their rejection of the Vocational Bureau. The Chamber's Education Committee had proposed a similar scholarship in the Vocational Bureau proposal, and the trustees felt that in "the publicity regarding this appropriation some mention be made in recognition of the program which the Committee on Education of the Chamber of Commerce has proposed in this field of service."<sup>33</sup> This insinuated, of course, that the Chamber had originally suggested the scholarship fund to the foundation, and that the trustees were influenced by the intent of these honorable men. The trustees were giving credit where credit wasn't due in order to throw a bone to their wealthy cronies at the Chamber, and to maintain cordial relations among their fellow Indianapolis elite.

The foundation was not original in funding the scholarships and probably followed the lead of one of the founders of the Indianapolis Foundation rather than the Chamber of Commerce. Several years earlier, John H. Holliday created a similar

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<sup>32</sup> "Minutes of Meeting of Board of Trustees, Indianapolis Foundation," July 14, 1925, Box 1/5.

<sup>33</sup> "Minutes of Meeting of Board of Trustees, Indianapolis Foundation," July 14, 1925, Box 1/5.

foundation for scholarships in the name of his deceased son, John H. Holliday, Jr.

Holliday's son had joined the Army during the beginning of World War I and within a month contracted a fatal case of influenza. Being a Civil War Veteran, Holliday was no doubt very proud of his son for serving and this was his memorial to him. Although John H. Holliday was a founder of the Indianapolis Foundation, the scholarship fund had no association with the foundation.

As far as the trustees were concerned, the education and welfare of children was valued on a sliding scale, with the mentally ill on the low end, black children a little higher, those with vocational potential or minimally handicapped higher, and, finally, the respectable and gifted white children on the high end. For instance, when Mrs. Frances Coston, president of the Educational Aid for Colored Orphan Children, requested support for her program, Foster assured the board that she was "considered a capable and reliable colored woman, a teacher in our public schools." However, he made it clear to the trustees that he requested her to "make her letter to us as brief as possible [...]," something he had not requested of any other petitioners.<sup>34</sup>

Yet Frances Coston was not just a "reliable colored woman." She was the principal at School No. 68, the Colored Orphans Home. Not only were these children segregated because of their color, they were also segregated because of their unfortunate circumstance of being without parents or family. Coston wrote a two-page letter and avoided any plea for mere charity. She wrote about the good that her organization was doing and how it was positively influencing the lives of these children. She reported that they had "sent twenty children from the home to Tuskegee, Hampton Institute,

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<sup>34</sup> Foster, "The Director's Report to the Board of Trustees, Indianapolis Foundation, May 12, 1925," Box 1/5.

Wilberforce University, Knoxville College, Lincoln Institute, Spelman Seminary, and Fisk University.” Most were involved in vocational training which included “carpentry, printing, steam-fitting and plumbing, machine work, auto-mechanics, sewing and millinery.” She also strove to make the all-white male trustees more comfortable with her request by making the point that “white friends have given \$600 [6,500 CD] this year toward a deficit in our budget.” So far they had spent only \$2,706 [\$29,000 CD] to support all twenty college students and she even sent them an audited account of their finances.<sup>35</sup>

Still, the trustees were not entirely confident in the credentials of Mrs. Coston. They asked Foster to check with the Flanner House and the Community Fund as to the “cooperation which has been extended those two organizations through Mrs. Coston and her Society.”<sup>36</sup> When Foster reported back that he found Mrs. Coston’s relations with both organizations satisfactory, he recommended the trustees award her organization \$500 or \$600 for the year.<sup>37</sup> In 2004 constant dollars, that is \$5,500 to \$6,000 for a scholarship fund for black orphaned children who have no family or financial support. In contrast, that is one-tenth of the funding that was extended to the promising children in the white public schools. It took two months to finally approve the \$500, the same amount that Foster requested for his own organization for a single conference that was approved without debate the day he proposed it.<sup>38</sup> If we compare the use of funds by the

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<sup>35</sup> Trustees of the Indianapolis Foundation, by Frances B. Coston, May 28, 1925. Letter to solicit funds for the Educational Aid Society for Colored Orphan Children, Box 1/5.

<sup>36</sup> “Minutes of Meeting of Board of Trustees, Indianapolis Foundation,” June 2, 1925, Box 1/5.

<sup>37</sup> Foster, “The Director’s Report to the Board of Trustees, Indianapolis Foundation, July 14, 1925,” Box 1/5.

<sup>38</sup> “Minutes of Meeting of Board of Trustees, Indianapolis Foundation,” June 2, 1925, Box 1/5.

Indianapolis Public Schools and the Society for Colored Orphan Children, it is clear that only thirteen students were funded by the public schools while twenty were funded by the society for about the same amount of money. Add to that the fact that the society also paid for clothing and other necessities for the orphans while they were attending college. In short, the society was much more efficient with their resources than the schools, but that did not seem to weigh at all into the equation when the funding decisions were made. It was much more advantageous for supplicants to have elite friends in high places at the foundation.

Black children were regarded higher on the scale of suitable recipients for support than “retarded” or “subnormal” children, as Foster referred to them.<sup>39</sup> Mrs. Richard Lieber, from the Indianapolis Public Schools, requested \$1,000 for a summer program for “those who have a tendency toward delinquency,” which really meant “retarded” children who, of course, usually came from less than desirable homes. She stated her case with certainty, claiming that:

During the winter months, these retarded children are segregated in the public schools of Indianapolis and given special courses of training, but during the summer months no such opportunity is afforded them, and since, in most instances, their home surroundings are not entirely what they should be, the opportunity for actually becoming delinquent is greatly increased during the summer months.<sup>40</sup>

Mrs. Lieber made it clear that the objective of employing professional teachers for these children was to “train these boys and girls along vocational lines and aid them in their

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<sup>39</sup> Eugene C. Foster, “The Director's Report to the Board of Trustees, Indianapolis Foundation, June 2, 1925,” Box 1/5.

<sup>40</sup> Indianapolis Foundation, by Mrs. Richard Lieber, May 29, 1925. Letter requesting funds for summer programs for retarded children, Box 1/5.

struggle against delinquency.” She also inferred the support of E.U. Graff, superintendent of Indianapolis Public Schools. She insisted in her grant request that, after the first year of foundation support, they would pursue public funding from the city.<sup>41</sup>

It is hard to know exactly why the trustees declined to fund Lieber’s request.<sup>42</sup> It could have been their experience with the “temporary” funding of the Indianapolis Employment Bureau that the city declined to pick up and with which the foundation was now saddled. Or it could have been that the trustees felt they had already given enough to the public schools in the way of scholarships. Or, perhaps, they doubted the teaching abilities of a woman who wrote long, run-on sentences, like the one in her letter. Given the lack of a stated reason for the rejection and society’s low priority of mentally handicapped children at this time, it is highly likely that funding the education of “retarded” children was not considered a good use of the foundation’s resources. In addition, these children’s families were an often ignored, small minority with no public visibility, and the potential for increasing the foundation’s public repute with such a program was questionable at best.

The rejection or low funding of these worthy programs is even more puzzling considering that the foundation had over \$60,000 [\$645,000 CD] at its disposal from the Roberts and Pettis funds.<sup>43</sup> Added to that were the funds that would eventually become available from the Delavan Smith trust once it was free from litigation. The amount available to the foundation from Smith’s trust alone would be more than \$90,000

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<sup>41</sup> Letter by Lieber.

<sup>42</sup> “Minutes of Meeting of Board of Trustees, Indianapolis Foundation,” June 2, 1925, Box 1/5.

<sup>43</sup> Foster, “The Director’s Report to the Board of Trustees, Indianapolis Foundation, June 2, 1925,” Box 1/5.

[\$968,000 CD] by October 1925.<sup>44</sup> Unfortunately, Smith's estate was being sued by the State of Illinois for \$200,000 [\$2,150,000 CD] in death duties, and his heirs felt his will was invalid and legally challenged it. Even with these obstacles, the Fletcher Savings and Trust Company claimed that funds would be available within a few months.<sup>45</sup> Given the amount of money available, competition from other organizations for a limited pool of funds was not the reason for foundation's parsimony in awarding early gifts. The real causes of such stinginess, I believe, were two-fold. First was the social priority as viewed through an elite lens that the trustees ascribed to the grant proposals. Second was the trustees' perception of potential positive or negative publicity associated with any gift act.

By mid-year 1925, the Employment Bureau had been in existence for eight months, had over 3,000 applicants looking for jobs and 682 placements. Although the Community Fund had considered stepping in to supply funding for the next year, they could not find it in their budget. The city of Indianapolis also declined to fund it, so Foster suggested that it had proven itself an asset to the community and recommended funding it for another year. Being a social worker by background, it was only natural that Foster would think his professional colleagues should play an important role in solving social ills. He always recommended adding a social worker to almost all significant programs funded by the foundation, and the Employment Bureau was no exception. He strongly believed that the bureau "could be more efficient if it had a social worker full time for follow up and research work," but declined to make a recommendation to fund

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<sup>44</sup> Henry H. Hornbrook, by Donald S. Morris, October 28, 1925. Letter reporting on the state of the Estate of Delavan Smith, Box 1/5.

<sup>45</sup> Eugene C. Foster, by Ronald Morris, May 28, 1925. Letter from Fletcher Savings and Trust about the law suits against the Delavan Smith estate, Box 1/5.

one until other funding obligations were met.<sup>46</sup> The trustees agreed with Foster's recommendation to fund, and granted the agency another \$12,000 [\$129,000 CD] for the coming year.<sup>47</sup>

One of the most compelling reports given to the trustees in 1925 was one marked "confidential." It was an account of the conditions at the City Hospital psychiatric detention ward by Mrs. May Ballou, the psychiatric social worker assigned there and funded by the foundation. Her criticism was so scathing and the conditions she described so reprehensible that it convinced Foster that the foundation needed to "build up some of our local resources to this group of patients before we plan a program for the extension of Mental Hygiene work in this community."<sup>48</sup> Complaining of crowded and under equipped facilities, Ballou devoted three pages to her report. These are best summed up in a few paragraphs:

The ward is bare, being furnished only with the most out-standing, actual necessities and these of the ugliest obtainable, while no attempt has been made [...] to provide one comforting offset to all of this ugliness and dreariness. [...] In any case, [a patient] can have derived little benefit from his stay and it is only hoped that he is not worse for his experience in the ward. [...] Our mental cases are relegated to a cheerless basement ward and where there is a deplorable lack of scientific interest manifested by those responsible for care, diagnosis, and treatment. In fact, I am frank to state that so far I have seen little but the most perfunctory and casual attention to the entire ward either by the hospital authorities or by the attending staff physician. [...] I know you will give earnest consideration to this narrative report and I feel it will

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<sup>46</sup> Foster, "The Director's Report to the Board of Trustees, Indianapolis Foundation, July 14, 1925," Box 1/5.

<sup>47</sup> "Minutes of Meeting of Board of Trustees, Indianapolis Foundation," Box 1/5.

<sup>48</sup> Foster, "The Director's Report to the Board of Trustees, Indianapolis Foundation, July 14, 1925," Box 1/5.



probably cause you no little disappointment, for I believe you expected as much as I had hoped for [...].<sup>49</sup>

The trustees asked Foster to talk to Mrs. Ballou and the hospital about what kind of help would be needed to provide better care for the patients, but no one discussed either the location of the ward in the lifeless basement nor the lack of decent equipment. Unfortunately for the foundation, these problems would manifest themselves in public within a few days when the “confidential” report was leaked to the press and caused quite a stir. The administration of the hospital told Foster that there had been “greater interest from the general public directed to this particular ward than in all the other departments of the hospital” and hospital officials apparently saw the uproar as a positive development. Foster, on the other hand, was livid about the bad publicity of a program the foundation was involved in, and was blunt in his opinion that “it is both pathetic and discouraging that such satisfaction has been apparent from our hospital officials [...].”<sup>50</sup>

The one redeeming foundation program demonstrating success was one of the first funded, the James E. Roberts Nurse for Crippled Children. The results of this effort had been so successful that plans were moving forward quickly for the new school that was proposed earlier for crippled children. However, not all crippled children were created equal in the eyes of those who were making the rules of admission, which included Foster. A study of 289 crippled children had been done to assess the potential of such a school and Foster seemed delighted that 61 qualified. Among those deemed not

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<sup>49</sup> Eugene C. Foster, Letter, by Mrs. May D. Ballou, July 13, 1925. 1925, Letter about deplorable conditions at City Hospital Psychiatric Ward, Box 1/5.

<sup>50</sup> Eugene C. Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, August 4, 1925,” Box 1/5.

eligible included “colored” children and mental defectives of any race.<sup>51</sup> Clearly, social hygiene as well as mental hygiene became an early obsession of the foundation’s trustees.

Aware of the importance of good donor relations, on 15 August 1925, the trustees sent a Western Union Telegram to Alphonso Pettis at S Jardin D’Alsace Lorraine, Nice, that read “BIRTHDAY WISHES AND HEARTY GOOD GREETINGS.”<sup>52</sup> A few days later, the Indianapolis Foundation received a “notice of non-delivery of telegram” from Western Union. The reason given was that the “addressee said to have left message posted.” This could mean that Pettis might have requested the telegram be sent by postal service because he was living at the Grand Hotel du Parc in St.Martin-Vesubie in France during the summer months and was in a remote area that could not be serviced by Western Union.<sup>53</sup> In addition to the telegram, Eugene Foster sent a personal letter to Pettis in August, wishing him a happy birthday and outlining the causes the foundation had supported since it started funding programs in 1924. These included funding studies of unemployment, vocational training, and the needs of crippled children. He touted their support of a free employment bureau, establishing scholarships for students in high school and college, and assisting in the “vocational training and education of colored orphans.” In addition, Pettis was informed that the foundation supported the Community

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<sup>51</sup> Foster, “The Director’s Report to the Board of Trustees of the Indianapolis Foundation, August 4, 1925,” Box 1/5.

<sup>52</sup> Alphonso P. Pettis, Western Union Telegram, by Indianapolis Foundation, August 15. 1925, Telegram wishing happy birthday, Box 1/5.

<sup>53</sup> Foster, “The Director’s Report to the Board of Trustees of the Indianapolis Foundation, August 4, 1925,” Box 1/5.

Fund and a psychiatric social worker for the city hospital in order to “further better mental hygiene treatment to the patients of the detention ward there [...]”<sup>54</sup>

Foster chose not to mention the problems that plagued foundation efforts at the City Hospital, which were growing more difficult each month. In September he reported to the trustees that:

The situation at the Detention Ward of our City Hospital is not improved. Dr. Humes was asked to leave the service because of his unfortunate addiction to drink and Dr. Cottingham has been carrying on the service alone. [...] Psychiatrists are not being trained to meet the demand. The American Psychiatric Association was unable to recommend anyone for the work here. Dr. F. B. E. Miller, Assistant Superintendent of the Foxboro, Massachusetts State Hospital, has been recommended [...]. Even if he is willing to come here for an inspection trip I am afraid he will find the situation so discouraging that he may not care to attempt to render a service here. [...] Our Mrs. Ballou has become so discouraged that twice within the past months she has begged to be relieved of her services there [...].<sup>55</sup>

A month later, Dr. Miller did come for an inspection trip, and before his arrival he suggested that he might be willing to come to work for the City Hospital at a salary of \$5,000 [\$54,000 CD] plus “maintenance.” However, he returned to Foxboro to think it over before he made a commitment. To complicate matters, Mrs. Ballou was offered \$3,600 [\$39,000 CD] to return to Washington, DC as head of Medical Social Service at the Red Cross. Foster met with J. K. Lilly and decided between them to offer Mrs. Ballou \$3,000 [\$27,000 CD] to stay, which was \$600 [\$5,400 CD] more a year than she was currently receiving. Foster must have impressed upon her the importance of her staying

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<sup>54</sup> Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, August 4, 1925,” Box 1/5.

<sup>55</sup> Eugene C. Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, September 15, 1925,” Box 1/5.

on to help them in “the development of our Mental Hygiene program,” because she accepted their offer. It was really not an overly generous offer, however, because they had already approved another person, Miss Katherine Howland, for the same job at a salary of \$3,000 to serve the Robert Long and Riley Hospitals. Like Mrs. Ballou, Miss Howland was also unhappy with the “lack of cooperation and opportunity of service” in her position, and made Foster and J. K. Lilly aware of it.<sup>56</sup> Foster was not successful keeping Miss Howland, and she resigned “to accept a very responsible position in Minnesota at a much larger salary.” Dr. Miller agreed to take the position at City Hospital, which Foster hoped would “be a marked contribution in our mental hygiene field if we are successful in securing sympathetic and understanding cooperation.”<sup>57</sup>

The School for Crippled Children opened mid-September 1925 with twenty students attending. The capacity was thirty per year, all selected from the acceptable original sixty-three that had been vetted. Three specially trained teachers were assigned to the school, as well as a nurse. The foundation agreed to pay for transportation of the children via a street car at about \$6,000 [\$65,000 CD], as well as equipment, materials, lunches and the nurse’s salary.<sup>58</sup> Nowhere in the previous minutes of the board meetings were these large expenditures discussed and voted upon.

Ever conscious of public opinion and being concerned with the negative connotations of calling it the School for the Crippled, Foster urged the trustees to consider other names that might not have such a stigma attached. He felt that the current

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<sup>56</sup> Eugene C. Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, October 13, 1925,” Box 1/5.

<sup>57</sup> Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, October 13, 1925,” Box 1/5.

<sup>58</sup> Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, September 15, 1925,” Box 1/5.

name carried with it “an appeal for pity and sympathy which we do not want to encourage in behalf of this group of children.” He offered other names that would honor the funds used from the James E. Roberts fund, such as the “James E. Roberts Gift School, James E. Roberts Opportunity School, and the James E. Roberts Friendship School,” although he admitted that no matter what they named it, it would probably still be known as the James E. Roberts School for Children.<sup>59</sup> The trustees recommended the James E. Roberts School.<sup>60</sup>

The Indianapolis Employment Bureau had its first annual dinner on 12 October 1925, at which the director, George B. Gill, gave a report on its progress. He stated that when the bureau began, the main objective was to serve any man or woman seeking a job. However, they soon stopped working with black girls and women, instead referring them to the Phyllis Wheatly Branch of the YMCA and the Flanner House. The Flanner House helped “colored” women get domestic jobs, while the YMCA matched women with retail and industrial jobs. Gill explained that “these two organizations serving colored girls and women exclusively asked us to do this and as their employment offices were already functioning our board thought it best not to compete with them or do anything which might tend to disrupt the contacts they had already established with both employers and workers.”<sup>61</sup> This poorly reasoned attempt to appear sensitive to both black women and the organizations that served them did not stand up in the face of other factors. First, these organizations already serving black women were nonprofits using

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<sup>59</sup>Eugene C. Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, November 10, 1925,” Box 1/5.

<sup>60</sup> “Meeting of the Trustees of the Indianapolis Foundation,” November 10, 1925. Box 1/5.

<sup>61</sup> George B. Gill, “Report on the Progress of the Indianapolis Employment Bureau, October 12, 1925,” Box 1/5.

their limited resources to help these women find work, so the bureau was not doing them any favors economically. Second, the insinuation here is that a limited number of black women sought work and were already well served by existing employment agencies when, in fact, the opposite was true. Third, Gill mentioned that there was “another free employment bureau now in operation in Indianapolis. It is the State, City, and U.S. Public Employment Bureau [...].”<sup>62</sup> This was another resource for white people and increased competition for jobs, yet that did not stop the Indianapolis Employment Bureau from serving white applicants. Again, this is exemplary of how those in power philanthropically decided whom they would serve depending on potential participants’ place on the sliding social scale to which the trustees adhered rigorously.

This new, publicly funded bureau posed a threat to Gill’s bureau, and he admitted that a publicly funded bureau would be preferred since it served the citizens of the city. He also held that “the important factor is to make the service efficient and perpetual,” making the case for continued support of his bureau, claiming efficiency had never been the government’s strong suit and the fickleness of government funding was unpredictable and dangerous to count upon. He also reiterated that the Indianapolis Employment Bureau was a free service and an asset to the community because the other twenty-eight employment bureaus that operated in Indianapolis all charged fees.<sup>63</sup>

Over the previous year, the bureau had registered almost 5,000 job seekers, 67 percent men, and 33 percent women. Gill’s report, like other reports before, singled out the number of black men, which was 347, or 7 percent of the total applicants. The bureau

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<sup>62</sup>Gill, “Report on the Progress of the Indianapolis Employment Bureau, October 12, 1925,” Box 1/5.

<sup>63</sup> Gill, “Report on the Progress of the Indianapolis Employment Bureau, October 12, 1925,” Box 1/5.

had also placed 1,063 people, about 20 percent of applicants, but the majority of those positions, 625, were temporary. One of the challenges of placement was the education levels of the applicants, as 68 percent of the applicants had only completed eighth grade, only 20 percent had graduated from high school, and another 10 percent attended college. Less than 2 percent of those seeking jobs through the bureau actually had a college degree. Given this educational demographic of the work force, it is easy to see why the educated elites of the city wielded so much respect among the public and could command popular deference when important decisions had to be made.<sup>64</sup>

The trustees discovered that their apparently wise decision to fund the employment bureau was not yielding the positive public relations results that they desired. Foster lamented that they were “expending \$12,000 a year on our employment bureau, which is considered by many to be an unsatisfactory means in the working out of better industrial conditions for our unemployed.”<sup>65</sup> Notice how Foster uses the possessive pronoun “our” in this statement, thereby claiming ownership by the foundation and its trustees. His concern became urgent as a result of a letter from William M. Leiserson, the former director of the Wisconsin Employment offices. Leiserson was not impressed by the statistics that Gill had reported and compared them to statistics from Wisconsin’s bureau that showed 60 to 80 percent of their manual laborers had been placed. He felt that a monthly report should be published by the Indianapolis Employment Bureau to track its operational progress. Leiserson criticized the bureau’s performance in relation to the amount of money it was receiving from the foundation, warning that the bureau

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<sup>64</sup> Gill, “Report on the Progress of the Indianapolis Employment Bureau, October 12, 1925,” Box 1/5.

<sup>65</sup> Foster, “The Director’s Report to the Board of Trustees of the Indianapolis Foundation, November 10, 1925,” Box 1/5.

would not be able to justify its existence for another year “if the cost of placement is up anywhere near \$10 again. It should be brought down to about \$2 the second year, and lower than that the third year.”<sup>66</sup>

There may well have been an ulterior motive behind Leiserson’s letter, even though his criticism now seems warranted. To solve the bureau’s problems, he proposed a business arrangement to the board:

For \$600 I will install a complete system of working cards, records and form of reports, and train all the staff in their use. Also I will make a study of the methods by which your office can better meet the needs of your city and your industries, and devise the business system to meet those needs. I can do this in about five weeks, spending one day each week in the office actually working at the desks, and meeting the staff in the evening for conferences and instruction. I have done such work for the United States Employment Service as well as for the states of New York, Ohio and Wisconsin, and in this way I can assure your board that by the first of the year the office will be doing much more effective work.<sup>67</sup>

Foster grew even more desperate to improve the image of the bureau and the foundation, as he believed that the trustees should secure “all the help and direction possible in making this service as efficient and profitable as possible.”<sup>68</sup> He urged the trustees to agree to pay for Leiserson’s services. They voted that if the bureau agreed that his advice was needed, the foundation would support the expense.<sup>69</sup> By piling on and paying for expert after expert, the foundation used its funds primarily to enrich highly

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<sup>66</sup> Eugene C. Foster, Letter, by William M Leiserson, October 29, 1925. Letter criticizing the performance of the Indianapolis Employment Bureau and offering to consult. Box 1/5.

<sup>67</sup> Letter by Leiserson.

<sup>68</sup> Letter by Leiserson.

<sup>69</sup> “Meeting of the Trustees of the Indianapolis Foundation,” November 10, 1925. Box 1/5.



literate, self-promoting, middle and upper-middle class purveyors of organizational management and bureaucratic control.

The end of 1925 marked the beginning of new projects that the foundation had never before embarked upon. One was the consideration of another research bureau to study tuberculosis at Sunnyside Sanatorium where patients had already been receiving treatment. J. K. Lilly was directly involved in these discussions with Dr. Alfred Henry from Sunnyside and Dr. William Charles White, chairman of the Research Committee of the National Tuberculosis Association. Dr. White was scheduled to visit Sunnyside to advise Lilly about the desirability of such a bureau, and Lilly's involvement in this decision makes sense in that he was part of the medical establishment through Eli Lilly & Company.<sup>70</sup> However, it was clearly a conflict of interest and would be seen today as a matter of self-dealing by a trustee, especially when any remedies that might be discovered through such a research bureau could be profitably exploited by Lilly's own drug company.

Another novel area of foundation funding included a new athletic field for Manual Training High School. The principal, E. H. Kemper McComb, suggested the cost would be about \$20,000 [\$215,000 CD] and claimed the project would be filled with "civic and educational possibilities."<sup>71</sup> McComb was masterly at writing an appeal letter designed to shame the trustees if they refused funding. The principal asserted that his proposal would be attractive to the board if they were:

[...] looking for a small project of civic value as an outlet for some comparatively small sum left with the Foundation. What I propose

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<sup>70</sup> "Meeting of the Trustees of the Indianapolis Foundation," November 10, 1925. Box 1/5.

<sup>71</sup> Eugene C. Foster, Letter, by E. H. Hemper McComb, November 5, 1925. Letter requesting funds for athletic field for Emmerich Manual Training High School , Box 1/5.

would be a worthy memorial for anyone interested in boys and girls and their education. Your board, I hope, will see in my proposal an opportunity to invest a small portion of the trust funds in their control in the health and happiness of many generations of high school youngsters; especially those who come from the south part of town, a district which does not have adequate recreational facilities.<sup>72</sup>

McComb may not have known that this was not a small request. It was, in fact, the largest amount the foundation had considered to date. Apparently, at least some civic actors were becoming aware of how much unused money the foundation had or would have at its disposal in short time. Requests for support became larger, such as the one from the Christamore House seeking board reconsideration for an earlier denial of funding for completion of a building. At that time, the foundation claimed that it was beyond its province to pay for capital projects, especially those that were already being supported by the Community Fund. The foundation had already decided to give the Community Fund another donation, this time in the amount of \$10,000 [\$108,000 CD] without it even requesting that large an amount. Foster explained to the trustees why the Christamore House had to build a new facility:

You will recall that the Christamore Settlement for many years had maintained its work in the northeast district of our city but the increase of the Negro population there made social and recreational work for white people impracticable at that location. A study of the city was made [...] and it was decided that the largest field uncovered was in Haughville, to which Christamore directed its attention.<sup>73</sup>

This might have been Foster's way of making the request even more appealing since the move was done to avoid the Negro population and focus on poor white people

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<sup>72</sup> Letter by McComb.

<sup>73</sup> Foster, "The Director's Report to the Board of Trustees of the Indianapolis Foundation, November 10, 1925," Box 1/5.

instead. Foster went on to say that one of their long-time workers, Miss Martha Carey, passed away, and other donors had contributed \$20,000 [\$215,000 CD] toward the \$30,000 [\$323,000 CD] necessary to complete the building. He was making the case to get the remaining \$10,000 [\$108,000 CD] because the foundation had already suffered bad repercussions for their decision not to fund the Christamore House the first time. The Christamore board let their disappointment at being rejected become known to the trustees, and also made it clear to them that their “work has been much handicapped during the past year because of [an] inability to complete their building [...]”<sup>74</sup> A little bad public opinion and guilt went a long way, and Foster stated that James E. Roberts’ widow “was considerably disappointed our board did not deem it advisable to contribute to this fund.”<sup>75</sup> To ameliorate the damages he suggested that the building addition could be known as the James E. Roberts Club Rooms.

The Christamore House, the athletic field and a proposal to help fund the Department of Child Hygiene to the tune of \$15,000 [\$161,000 CD] were all tabled for the next meeting later in the month. At the subsequent 23 November meeting, the trustees finally gave the Christamore House the \$10,000 requested. The Principal from Manual Technical High School was officially invited to meet with the trustees at their next board assembly to discuss the athletic field project. The request to assist the city-run Department of Child Hygiene was tabled again until the new city administration took office at the first of the year. However, the trustees must have thought that Foster was

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<sup>74</sup> Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, November 10, 1925,” Box 1/5.

<sup>75</sup> Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, November 10, 1925,” Box 1/5.

doing an outstanding job because they gave him a 20 percent raise from \$5,000 to \$6,000 [\$65,000 CD], one of the board's most decisive actions.<sup>76</sup>

Foster was evidently doing a lot of talking to the trustees and potential recipients outside of the official meetings. For instance, Foster suggested to Manual Training High School Principal E. H. Kemper McComb the possibility that if they were to fund the athletic field, it could be named after Delavan Smith as a memorial to him. Smith's trust was near the end of its extensive legal challenges, freeing almost \$100,000 [\$1,075,000 CD] available for new foundation projects. McComb quickly realized the importance of naming the field after Smith, as well as the importance of publicizing the work of the foundation, and used both as leverage, musing that:

A memorial like the one we have been discussing set up in connection with the activities of the school would become as nearly a living memorial as possible. A field like the one we propose to build would be used almost daily. Nearly every week there would be some activity there to which publicity would be given, and I feel pretty sure that were this field built the way we talked of the expression of the Delavan Smith Memorial Field would be appearing in the newspapers of the city with great frequency. What finer type of memorial could one ask than that?<sup>77</sup>

The foundation redeemed itself with its donation of \$10,000 [\$108,000 CD] to the Christamore House, garnering the trustees high praise from another important constituent, Mrs. James E. Roberts. After being informed by letter of the foundation's intent, she sent a handwritten note that "nothing would please and delight me more than to have you contribute the \$10,000 to the splendid work of the 'Christamore Settlement,' not only for

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<sup>76</sup> Eugene C. Foster, "The Director's Report to the Board of Trustees of the Indianapolis Foundation, November 23, 1925," Box 1/5.

<sup>77</sup> Letter by McComb.

my love of Mr. and Mrs. Carey, but my great admiration of their daughter Martha. I believe it was she who started this good work.”<sup>78</sup>

The last trustee meeting of 1925 was 9 December and ended as, T. S. Eliot once wrote, “not with a bang but a whimper.” A discussion of a new funding request from the YWCA was discussed as was the meeting between J. K. Lilly and Dr. Charles White about a tuberculosis research bureau at the Sunnyside Sanatorium, but all of the business brought forth was summarily delayed until after the holidays.<sup>79</sup> Consistent with previous precedents, Henry Hornbrook succeeded himself like all the other trustees by being appointed for another six years by the mayor of Indianapolis.<sup>80</sup>

In the first five to six years of the Indianapolis Foundation’s existence, the trustees never really embarked on any course of substantial scientific philanthropy. They committed to no detailed surveys to pinpoint vital community needs that might show how the foundation’s funds could be best used. In fact, surveys or their results were rarely used and the programs and organizations that were funded were essentially decided by five factors: (1) the interests of a trust’s surviving family members, as in the case of Mrs. James E. Roberts; (2) the trustees’ familiarity with the organization; (3) personal and professional relationships between leaders of funded organizations and the trustees; (4) the recommendations of Eugene Foster and other experts, especially those in the medical fields; and (5) the potential of a project to create positive publicity and increase the public’s esteem for the foundation and its directors. From 1926 through 1930 the board

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<sup>78</sup> Eugene Foster, by Henrietta West Roberts, November 25, 1925. Letter thanking foundation for funding the Christamore Settlement. Indianapolis, Box 1/5.

<sup>79</sup> “Meeting of the Trustees of the Indianapolis Foundation,” December 8, 1925 , Box 1/5.

<sup>80</sup> Eugene C. Foster, “The Director's Report to the Board of Trustees of the Indianapolis Foundation, December 8, 1925,” Box 1/5.

continued this pattern of operation, with a few highlights, therefore a summary of those years is in order to contextualize the decision to step outside its original purpose statement to fund the Indianapolis Symphony Orchestra in the early 1930s during the Great Depression.

### **The Continuation of Previously Funded Programs, 1926-1933**

The funding table in the appendix, which is based on annual financial reports from the Indianapolis Foundation archives, tracks what projects continued to get funded, what programs were started new, and what organizations had their funding cancelled. By following the money, the foundation's priorities before and directly after the stock market crash of 1929 are blatantly apparent. Common sense would lead one to predict that more money would be given post-'29, at the greatest time of need, to relieve suffering in areas of food, shelter and employment assistance. To assist the reader to better comprehend and contextualize the sizeable amount of money being granted during this crucial time, dollar amounts are only listed in 2004 Constant Dollars [CD].

One of the first programs of the foundation, the Indianapolis Employment Bureau, continued to be substantially funded by the trustees until 1930, when funding temporarily ceased. Before that, from 1926-1929, their funding by the foundation remained between \$120,000 to \$130,000 CD per year. After 1930 funding continued for another three years, declining in 1933 to only \$57,000 CD. That was the last year the Indianapolis Foundation supported it, presumably because of the Federal WPA programs and the work of the government employment agencies. From 1926-1933, the Indianapolis Foundation invested a total of \$857,000 CD in the Indianapolis Employment Bureau, for a total of more than \$1 million CD since 1924 when they helped create it. Results, in terms of workers successfully placed in permanent jobs, were limited at best and always ran along racial lines.

The Indianapolis Community Fund was a major recipient during this time, especially after the stock market crashed in 1929. From 1926 to 1929, it received more

than \$450,000 CD, but during the years of 1930 through 1933, that amount more than doubled to over \$950,000 CD, making the total foundation support in excess of \$1.5 million CD. Since the community fund helped feed, shelter and clothe those in need, it would only follow that the foundation trustees would invest more resources in that institution at this deeply troubling time in local and American economic history.

Even through the early years of the Great Depression, funding increased for the two projects that had received Mrs. Roberts' blessing: the James E. Roberts Visiting Nurse for Crippled Children and the James E. Roberts School for handicapped and crippled children. The Visiting Nurse Program increased from \$53,000 CD in 1926 to \$124,000 CD in 1933, adding \$713,000 in funding during that eight-year period. The school more than doubled from \$105,000 CD to \$230,000 CD, for a total of \$1.2 million granted in the same period. The Visiting Nurses program continued to receive funding well into the early 1950s and the school received funding until 1947, demonstrating that having a donor's, or one of his relative's, interest in your cause had significant implications for the sustainability of funding from a community foundation. These funds were clearly more donor-directed and not subject to the priorities or fickleness of trustees who have their own fractious views of what a community really needs.

The trustees' venture into the world of "mental hygiene" did not go quite as well. Their funding of the City Hospital psychiatric ward was short lived, beginning in 1926 and ending in 1929. The trustees invested \$210,000 CD over the three years, but decided to discontinue their support, after they realized that this was a huge long-term undertaking with a negligible return on their investment both in terms of the program's "cure" rate as well as positive publicity. The Sunnyside Sanatorium's research facility for



tuberculoses did get funded for several years but was also discontinued in 1933. Funded at \$37,000 CD in 1926, the amounts declined steadily until a final grant of \$7,000 CD in 1933, culminating in a total of \$230,000 CD. This program was a solid one for the foundation as it helped young people and others who were ill, and most people at least knew of someone with the dreaded disease. Therefore, its funding was publically justifiable and the effort earned the foundation trustees a warm public relations payoff.

Efforts to help black men and women received the trustees' nominal attention and then mostly for the appearance of trying to do good. The \$500 [\$5,300 CD] that the colored orphanage received in 1926 was the first and last foundation gift the orphanage ever received. There was a later study commissioned to look at establishing a colored hospital, because black citizens either were not allowed to enter a hospital for whites, or did not for fear of retribution. The study's cost was a pitiful grand total of \$2,100 CD. Imagine the inferior quality of such a study today if it were funded at that same level. Repeating a consistent pattern of commissioning and then ignoring studies, nothing was ever implemented as a result of its completion. One must be reminded that this was during a time when the Ku Klux Klan was not only strong throughout the country, but was also particularly well established in Indiana State Government. It would be hard to imagine that any of the elite trustees really cared about the plight of "colored" people, as they were often referred to at that time, or that their attitudes would be any different than most white people of the time. Although we might hope for enlightenment and wisdom from a group of men who had substantial power, resources, and potential to shape the future, they proved through their funding decisions that they were more concerned about

their image than relieving the oppression and poverty of this growing minority population in the city.

The Alphonso Pettis Scholarship Fund continued until 1929, when it was discontinued due to the Great Depression. The years from 1930 through 1932 were not funded, since fewer students were attending college and other community needs were more pressing. Scholarship funding resumed in 1933 and 1934. From 1926 to 1934, the Indianapolis Schools received more than \$222,000 CD, but the Alphonso Pettis Scholarship Fund program was dropped forever after that.

In spite of the trustees' fickle disbursement of the Pettis Funds, it is clear that they understood the concept of offering up fulsome gratitude toward such a major donor. On August 16, 1928, an article in the *Indianapolis Star* highlighted the celebration of Alphonso Pettis' 98<sup>th</sup> birthday and Eugene Foster sent a letter of congratulations to Pettis on behalf of the Indianapolis Foundation. Foster also sent a booklet to Pettis in Nice, titled "A Report of Four Years' Development of the Indianapolis Foundation, Presented to Mr. Alphonso P. Pettis, Nice, France, on His Ninety-eighth Birthday Anniversary, August Sixteen, Nineteen Hundred and Twenty-eight, by the Trustees of the Indianapolis Foundation." The booklet stated that Pettis' donation "comes from a living donor who has the pleasure and satisfaction during his lifetime of seeing beneficent results accrue from his gift [...] [his gift] also has proved an inspiration and encouragement to other donors looking for an opportunity to serve their fellow men and posterity." The article also stated that Pettis had given \$300,000 to the foundation, in spite of never having been a resident of Indianapolis, and that much of his fortune was made through ventures in the city, such as a dry goods store.

The board's high ambition to always satisfy a donors' intent can be seen in the wording of Eugene Foster's letter to Pettis, which stated:

We trust that as you review [the booklet] you will find some share of satisfaction and gratification in the gift you have made to Indianapolis through the foundation, which I am sure Indianapolis has experienced in the benefits derived there from. We feel especially pleased with and indebted to you because yours was the first gift to the foundation, and coming to us from a donor who has lived to see beneficent results accrue from his gift we feel that we have been unusually favored and honored. We are hoping that your own life has been enriched and blessed in giving as the better life of Indianapolis has been in receiving.<sup>81</sup>

But not everyone was pleased with how the foundation was disbursing Pettis' largesse to the community. On 4 September 1928, a hand-written letter came to the foundation from M. Paithé-Pettis, the adopted daughter of Alphonso Pettis. It is reproduced here in full because it represents a more personal look into Pettis' life and gives us a glimpse of the turmoil by the families of wealthy donors and the power they sought to yield over the trusts. His adopted daughter wrote:

Sir,  
My dear, venerable father, Mr. A. P. Pettis, whose adopted daughter I am, not being able to write on account of his weak eyesight, begs me to thank you for the beautiful Report-book which you were so kind to send him and which he read with great interest.<sup>82</sup>

It is interesting that this man had such terrible eyesight but could still read the foundation report. It is also interesting that his helpful daughter also took the liberty of dismissing as undeserving most of the recipients, suggesting ways in which his donation

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<sup>81</sup> Alphonso P. Pettis, Letter, by Eugene C. Foster, August 15. 1928. Letter of happy birthday and report of foundation activities, Indianapolis Foundation Private Archive.

<sup>82</sup> Indianapolis Foundation, Hand written letter, by M. Paithé'-Pettis, September 4. 1928, Hand written letter, also has a typed copy, from M. Paithé'-Pettis, adopted daughter of A. P. Pettis, to IF Foundation, Indianapolis Foundation Private Archives.

should be spent, all the while denigrating the rest of the Pettis' family (note the martyred tone):

He was pleased to know that the money he gave to the "Indianapolis Foundation" is spent to relieve some human suffering physical [and] moral. We see you do much good for human creatures who, in many cases deserve it so little, and who, generally are so ungrateful. Could not a part of that money be spared to relieve also the suffering of poor animals, cast out dogs and cats, for which a clinic might be established to put them painlessly to death or to nurse them and find kind masters who would take care of them? We spoke of this, my venerable father and I, and he approved of it. The animal world is a great mystery -- one finds, sometimes, more intelligence and more feeling in a dog than in some human beings, and animals are at least grateful. My dear father thanks you also for the booklet and, particularly, for the two very kind letters he received from you and the good wishes you sent to him for his anniversary. He appreciated that delicate attention of yours which touched him much. He is a good, noble hearted man, with a great serenity and happy disposition of mind. [...]

Since he distributed his wealth to his numerous nephews and nieces, he has been deserted by them who do not write to him anymore -- even the two Indianapolis grand nieces, Mrs. Bookwalter and Mrs. Hall, to whom he has been so generous, as well as to their parents. Also, his nephew, Charles Wesley Bressler, who pledged himself to stay with his uncle to the end, and who, on account of that pledge, had the largest share, has left him; finding his uncle lasted too long, he went back to America, got married and continues in rambling all over the world, to enjoy himself with his uncle's money. He never earned a cent and styles himself a Doctor! Nobody has ever seen his diploma --- such is human gratitude! So, we have no one to whom we could present your booklet, as you so courteously suggest, but we thank you all the same for the kind offer. Excuse, please, the length of this letter, but those explanations were, I think, necessary. My dear venerable father sends you his kindest regards and I beg you to believe me, sir.<sup>83</sup>

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<sup>83</sup> Letter by Paithe'-Pettis. Letter from M. Paithe'-Pettis, adopted daughter of A. P. Pettis, to IF Foundation,

On March 6, 1929, the *Indianapolis Star* announced the death of Alphonso Pettis, which had occurred the prior month in France. More news of Pettis came from Howard M. Gay, the vice-president of the Pettis Company. Gay had subsequently received a cable from Pettis' great nephew, Bressler Pettis, now living in Revoilbenounif, a French outpost in the Sahara desert. According to the cable, Alphonso Pettis had been living in France for the past 25 years with his adopted daughter and was survived by many relatives, three of whom lived in Indianapolis. They were listed as: Indianapolis: Two nieces, Mrs. John Bookwalter and Mrs. William P. Hall; and a nephew Dr. Charles Bressler Pettis. In the U.S.: Nieces: Mrs. Alice S. Eldridge of Springfield, MA; Mrs. Lena D. Hamilton and Mrs. Abbie L. Kellogg of Feeding Hills, MA; and Mrs. Bertha E Russell of Palmer, MA. Nephews: Alphonso B. Roberts of East Hampton, MA and Charles Pettis of Springfield, MA.<sup>84</sup> Later, during the Great Depression, these so-called loving relatives all challenged the validity of the Pettis trust in the attempt to reclaim the fortune Alphonso Pettis had willed to the Indianapolis Foundation. This litigation, so common in dysfunctional and charitable elite families, caused the Indianapolis Foundation to suspend all use of Pettis' funds while the lawsuits wound their way through the courts.

At this same time, another trust that had been in litigation, the Delavan Smith fund, was now finally free of legal entanglements and its funds were available. From 1926 through 1929, the Delavan Smith Athletic Field at the Manual Training High School was funded from the formerly contested trust of Delavan Smith to the tune of \$1.8 million CD. To the foundation's credit, it also supplied a Delavan Smith Scholarship fund to the school from 1927 through 1934, with a total outlay of more than \$830,000 CD. Both the Pettis and the Smith Scholarships funds were discontinued in 1934 without

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<sup>84</sup> "Alphonso P. Pettis, Founder of Store, is Reported Dead."

explanation. In 1935, the foundation contributed new funds under a “General Scholarship” category for the Indianapolis schools and this program extended into at least the early 1950s. Yet the fact that the trustees invested \$1.8 million dollars for a high school athletic field creates an ever-deepening understanding that the lens that the wealthy elite used to define “community need” was a very different view than that of the citizens who were attempting to hold on to the lowest rungs of Maslow’s hierarchy of need, a reality from which the trustees were well insulated.

Given the scope of the projects that the Indianapolis Foundation Funded or considered funding during its first few years, the influence of the elite lens is evident. Most of the programs were those championed by elite donors, or the business and professional elite who pressed for employment bureaus and vocational training as their contribution to relieve the suffering of those most in need. The elite bankers also weighed in as powerful influencers who attempted to control the largesse of the foundation as evidenced by the Indiana Trust Company’s attempt to hold on to the very money it had given away in the form of student scholarships. These attempts by the foundation’s elite creators, trustees, associates and recipients to view and define community need through their limited lens becomes even more evident when the Indianapolis Symphony Orchestra is funded and justified as vitally important to the citizens of Indianapolis.

### **New Programs Funded, 1926-1933**

There were few new programs funded by the foundation at this time that garnered any degree of funding longevity. Most of those funded for extended periods of time from 1926 to 1933 tended to be either health programs, programs for children, or education related programs. For example, St. Margaret's Guild received a total of \$256,000 CD for an occupational therapy program, a Sight Conservation Class was funded to the tune of \$19,000 CD, as well as a program for the hard of hearing at \$8,000 CD. There was also short-term support for the Boys Club, the Board of Health for Prenatal and Orthodontia services, occupational therapy at City Hospital, the Children's Aid Society and the Child Guidance Clinic. The education programs included scholarships for teachers, free kindergarten classes and the Teachers College of Indianapolis. In its early years, the Indianapolis Foundation clearly reinforced locally the historic propensity of philanthropists to advance medicine and education as the highest forms of western, professionalized benevolence. Again, one finds no funding at all for any of the performing or visual arts, and little mention of such support in the foundation's board meetings. That pattern was about to change dramatically when the "need" for a symphony arose.

## **Chapter 6: The Indianapolis Foundation's Funding of the Indianapolis Symphony Orchestra, 1933-1966**

From its establishment in 1916 through 1933, there was no precedent-setting funding of the performing or visual arts in spite of requests to do so. That pattern of support changed in the summer of 1930, at the beginning of the Great Depression, when the first arts organization to be funded by the Indianapolis Foundation was born -- the Indianapolis State Orchestra Society. As the orchestra toured less through the state of Indiana, it was later renamed the Indianapolis Symphony Society. Both iterations of this society were created for the sole purpose of supporting the Indianapolis Symphony Orchestra (ISO). For the purposes of simplicity, any reference to either of these societies or to the Indianapolis Symphony Orchestra will be referred to as the ISO. The symphony was first formed as a "co-operative cultural organization," which meant that the musicians were not paid a set salary but earned money from the net proceeds of each concert. In the beginning, the founders touted with pride that it relied on "no one for endowments and subventions," a fact that changed significantly within a short period of time. Its initial purpose was to "foster music in Indianapolis and afford opportunity to talented musicians of the city for expression and sustained interest in their art."<sup>1</sup>

In 1931, the new orchestra decided that it was time to expand the organization's prestige and financial base by soliciting influential members of the community to become members of the Indiana State Orchestra Society. In the spring of that same year, orchestra promoters sent a letter to one hundred prominent people throughout Indianapolis and

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<sup>1</sup> Eugene C. Foster, by Ferdinand Schaeffer, Louis Borinstein, and Mrs. R. L. Blakeman, Spring, 1931. Solicitation to become member of the Indiana State Orchestra Society Indianapolis, Box 65/14.



Indiana, inviting their membership in the society. The director of the Indianapolis Foundation, Eugene C. Foster, received one such invitation. The orchestra had been discouraged by scanty attendance at its first four concerts, and was just about to disband when “a large group of people” deemed it worthy of new support.<sup>2</sup> The society’s purpose was to encourage the continuation of the orchestra through enhanced financial support. In return, new members were promised preferred seating when they purchased a season ticket for the 1931-32 season.<sup>3</sup>

To impress upon recipients what a special opportunity this was, the letter proclaimed that the orchestra was “so unusual that the news magazine *Time* has published an article about it – and which the *Chicago Tribune* expects to feature and describe in its music and drama departments!” Putting the ISO in this national celebrity light was important because one of the main points of the letter was to form a board of directors of wealthy people who were interested “in the civic and cultural advantages offered by such an organization.” The invitation letter also stated that there would be little problem in presenting concerts to other parts of the state as transportation was of minimal cost. However, in the years to come, this vision of traveling concerts proved difficult to achieve. Letter recipients were urged to respond before the next concert so that the new board could be announced at the event. The letter also stated that the board members would not be solicited for financial contributions.<sup>4</sup>

The letter was convincing enough to establish a prestigious slate for the new board of directors of the Indiana State Orchestra Society. The letter also revealed an

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<sup>2</sup> Letter by Louis Borinstein.

<sup>3</sup> Letter by Louis Borinstein.

<sup>4</sup> Letter by Louis Borinstein.

important direct connection to the Indianapolis Foundation, as Eugene Foster, the Indianapolis Foundation's director, was also listed as a founding board member of the Indiana State Orchestra Society. It was under Foster's leadership that the foundation made its first grant to any arts organization in the form of a gift of \$50 [\$724 CD] to the ISO. It is also significant that Eli Lilly, son of one of the foundation's founding directors, J. K. Lilly, was also a founding member of the orchestra society.

Requests for ISO support had been submitted to the Indianapolis Foundation for a few years before the first grant was made. The first request to the Indianapolis Foundation for symphony money came in person by George Calvert of the Indianapolis Clearing House Association. A memo signed with the initials E.C.F., assumed to be Eugene C. Foster, recorded the meeting as having taken place on January 8, 1931. Calvert explained that several attempts had been made in the past to start a symphony but all had failed, and that this orchestra was now being guided by the best leadership yet. He insisted that the symphony could be of service to the city and that with some help could be self-sustaining through the performance of concerts in other towns. Foster replied that the Pettis Trust Fund was not generating any income at the time, and no funds were available. He stated that when money was available, Calvert should send a letter to the foundation trustees.<sup>5</sup>

The first formal symphony society letter requesting financial support came March 4, 1931 and was addressed personally to Eugene Foster. The solicitation letter was signed by the president of the Chamber of Commerce, Louis Borinstein, and by Ferdinand Shaeffer, the director of the ISO. It was written on the Indianapolis Chamber of

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<sup>5</sup> Indianapolis Foundation Trustees, Memo, by Eugene C. Foster, January 8, 1931. Memo concerning visit by George Calvert of the Indianapolis Clearing House Association, Box 65/14.

Commerce stationery, with the names of interested parties listed at the end. The authors explained that the orchestra's concerts for that year had been successful but not well attended. The letter's authors requested a luncheon with Foster at the Chamber of Commerce to discuss "plans for helping the orchestra both for their final concert on April 19, and for next season."<sup>6</sup> Since the Indianapolis Foundation recorded no funding for the symphony in 1931, it can be assumed that the luncheon appeal either never took place or that the meeting was unsuccessful. In 1932, another letter from the society, now named the Indiana Symphony Society, went to the foundation, this time signed by the society's president, Herman C. Wolf. This letter, again addressed to Eugene Foster, gave a brief history of the symphony's accomplishments and challenges, especially the extremely low wages paid to its musicians:

We need your help very badly. We do not feel that we can again ask our musicians to play for a wage that is hardly more than a day laborer's. Can you put this matter before your board and invite their attention to these facts:

- (a) That a symphony orchestra "hall marks" a city and its cultural life.
- (b) That the Indianapolis Symphony Orchestra has proven itself and made a sure place for itself in our community.
- (c) That the value of the children's concerts is constructive, outstanding and of cultural promise.
- (d) That the orchestra desperately needs and is worthy of help from the Indianapolis Foundation.

May I anticipate a frank letter from you covering the points outlined in this letter?<sup>7</sup>

A year and a half after receiving Wolf's letter, the Indianapolis Foundation finally responded on 12 December 1933 with the good news that a small gift from the estate of

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<sup>6</sup> Eugene C. Foster, Letter, by Louis Borinstein and Ferdinand Schaeffer, January 8, 1931, Box 65/14.

<sup>7</sup> Eugene C. Foster, Letter, by Herman C. Wolf, July 29, 1932, Box 65/14.

Robert Leiber, who was interested in music and cultural development, had been given to the foundation. As the letter explained, “We are designating \$50 [\$724 CD] per year for three years to your Association to be used for a limited number of scholarships for the youth of our city who otherwise would be unable to attend and profit by your programs [...]. We regret that our interest in your association cannot be expressed by a larger financial gift.”<sup>8</sup> Here is a case where the foundation gave money for the purpose of scholarships which was never mentioned or requested by the beneficiary, showing the Indianapolis Foundation trustees unilaterally deciding what was best for an organization and the community, rather than responding to the expressed needs of an organization. True, it was the Great Depression and the foundation was probably hard pressed to justify supporting an orchestra at a time when many in the community were out of work and going hungry. Regardless, Foster and the trustees always sought maximum public relations benefit for their acts, even for the smallest grants, and for those unrelated to the recipient’s actual, expressed needs. The foundation was anxious to have its name associated with funding the symphony, and their modest gift was given with the condition that “among your list of patrons we will be pleased to have you include the name of the Indianapolis Foundation, Robert Leiber bequest.”<sup>9</sup>

A local radio address from the 1930s attempted to justify spending money on the ISO during the depression. Whether this broadcast came in response to public criticism concerning the ISO’s philanthropic funding or not is unknown, but the message certainly strove to make the case for supporting symphonies even during very hard times:

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<sup>8</sup> Hurty-Peck & Company Gilbert Hurty, Letter, by Eugene C. Foster, December 12, 1933, Box 65/14.

<sup>9</sup> Hurty-Peck & Company Gilbert Hurty, Letter, by Eugene C. Foster, October 15, 1934, Box 65/14.

I have been requested to speak to you, fellow listeners, on the social significance of a Symphony Orchestra, or majestic music....For ages we have been taught that “Music hath charms to soothe the savage beast.” It can drive out of the mind unhealthy depression, and fill it with beauty. ... During the Great War we all recall the part that music played in refreshing and restoring breaking and broken spirit and morale. ...many unemployed homeless men have had to be cared for [and] musical programs more than any other thing have helped to crowd out discontent and restore morale. ... With these things in mind, it would seem that Indianapolis and Indiana are fortunate to be planning a special musical treat for our citizens at just this time, this time in which many of our minds are troubled with problems and financial cares and perplexities. Out of this period of depression perhaps there may come a greater appreciation of those things which money cannot buy...Let the music speak to you...and take you with it into beautiful thoughts and tender memories...until you are relaxed, refreshed and restored. ...Appreciation of good music in childhood may develop genius and creative artists...Symphony Orchestras have ever been a great school of opportunity for musical genius and music appreciation. ...I hope Indianapolis will not fail to take advantage of this opportunity for the enrichment of its individual and community life.<sup>10</sup>

Radio, at this time, was a new and unique broadcast medium. The Symphony Society and its network of local supporters apparently used a variety of novel methods, urging the community to appreciate the need for classical music and a vibrant ISO. The preparation of such innovative media appeals suggests broader public confusion, or even dissent, over the proper use of philanthropic gifts at a time of great economic dislocation and hardship.

To me, the radio address script indicates that there was dissent from those in the community who saw no need for, or benefit in, philanthropic subsidies to symphony orchestras or other arts organizations. The address sounds to be an attempt to remedy

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<sup>10</sup> “The Social Significance of a Symphony Orchestra,” 1930s. Indianapolis Foundation, MSS 49, Indianapolis, IUPUI/RLSCA/Indianapolis Foundation Printed radio address, undated but was written during the depression years, Box 65/14.

popular disinterest in the arts and to pre-empt any critical response to philanthropic arts funding in Depression times. It insists that although many do not care for music, they should, or at least would, if they would only listen to it long enough, stating:

[...] anyone may have this happiness in his life who will take the trouble to listen. Suppose you have not found the fullest enjoyment in such concerts. Let's go again and again,- and in spite of those who do not listen, in spite of those who looked bored, you will find here and there those who are radiantly happy in the melodies they are hearing. That same happiness is yours for the listening.<sup>11</sup>

This evangelistic tone is remarkably reminiscent of a cleric trying to attract the unchurched to the benefits of worship. It also begs the question: was ISO funding driven by true community need or by zealous elite advocates seeking flattering entertainment and enhanced social status for the discriminating, elite few? It must also be emphasized here once again that when we speak of defining community need through the lens of the elite, this includes all elites that were associated with the Indianapolis Foundation, such as the wealthy elites that represented the chamber of commerce and those that founded and advocated for the ISO.

The unbidden scholarship grant continued for two years, and the symphony's fundraising tenacity finally paid off in 1935 when a letter from the foundation to the ISO in July announced that the board of trustees "voted to appropriate the amount of \$1300.00 [\$18,493 CD], which we trust will cover the cost of two children's concerts for the ensuing year." Building its own generous public reputation, the foundation required that future symphony programs clearly acknowledge both the Leiber Memorial donation and the Indianapolis Foundation by name for the new grant. The letter stated "we shall be pleased to have this same caption continued and for the \$1300 [\$17,808 CD] item we will

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<sup>11</sup> "The Social Significance of a Symphony Orchestra," Box 65/14.

appreciate mention of the same in the name of the Indianapolis Foundation.”<sup>12</sup> The check was sent on September 16, 1935, fully establishing what was to become long tradition of funding in exchange for public recognition.<sup>13</sup>

A draft of a press release shortly thereafter from the president of the Symphony Society stated that performing concerts for school children was the most important work of the orchestra. This endeavor made concerts available to school children who would not normally have access to such cultural benefits. We see here how U.S. arts organizations were quick to capitalize on a general and growing preoccupation with child services, and exploit children as prime targets of philanthropic betterment among elite American donors and public service organizations throughout this era. A major reason for this preoccupation was the unfortunate spike in the number of orphans in the early part of the twentieth-century, from over 50,000 in 1880 to more than 142,000 in 1923. No doubt, a major cause in this three-fold increase was the loss of fathers in World War 1, which was coupled with the inability of poor, unskilled, newly single mothers to support their children. As there was no government support or subsidy for these fractured families, fraternal societies stepped in to fill the void. During this same time, 1880 to 1922, fraternal societies, such as the Moose and the Masons, created 71 new orphanages.<sup>14</sup> Savvy leadership proved this pertinent appeal to be invaluable to the ISO’s fundraising success.

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<sup>12</sup> Eugene C. Foster, Letter, by Jacob L. Mueller, July 24, 1935. Letter from the President of the Indianapolis Symphony Society, Box 65/14.

<sup>13</sup> Jacob Mueller, Letter, by Eugene C. Foster, September 16, 1935, Box 65/14.

<sup>14</sup> D. T. Beito, *From mutual aid to the welfare state: fraternal societies and social services, 1890-1967* (University of North Carolina Press, 2000), 63.

It is no coincidence that the minutes of the July 1935 board meeting revealed that one of the six trustees of the Indianapolis Foundation, Thomas D. Scheerin, was also simultaneously a board member of the ISO when the foundation's greater gift to the symphony was awarded, with Scheerin recorded as voting in favor of the large gift increase to the symphony.<sup>15</sup> Scheerin was also a banker and a member of the Indianapolis "Blue Book" society, and was yet another key relationship that now clearly existed between the trustees of the foundation and the symphony's board of directors. Such overlapping contacts and directorships among midwestern cultural and philanthropic elites were a key determinant in how funds for "community" development were granted, a practice that continues to this day in many foundations.<sup>16</sup>

In September 1936, Jacob Mueller, president of the ISO, wrote another letter requesting funds and followed up with a phone call to Eugene Foster, and in October, the symphony funding from the Indianapolis Foundation took another leap. Foster replied to Mueller that the foundation had voted to increase its contribution by \$650 [\$8,800 CD] to cover the cost of an additional children's concert, bringing their total contribution for that year to \$2000 [\$27,027 CD].<sup>17</sup>

In November 1936, an ISO bulletin gave an outline of the young organization's accomplishments, failures and future plans. Although their efforts at increasing attendance and season ticket sales had succeeded, they still had not expanded their reach across the state of Indiana. As a memo from the executive committee stated, its organization name, Indiana State Society, was "pretentious" because "so far, in spite of

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<sup>15</sup> "Board Minutes, Indianapolis Foundation," September 30, 1936, Box 4/1-6.

<sup>16</sup> "Press release by the Indiana State Symphony Society," Summer/Fall 1935, Box 65/14.

<sup>17</sup> Jacob Mueller, Letter, by Eugene C. Foster, October 3, 1936, Box 65/14.



undeniably increasing prestige, it has amounted to only an Indianapolis organization.” However, a symphony committee, chaired by Mrs. Herbert Woollen, planned to expand their concerts into other areas of the state. Here we see another elite link between the Indianapolis Foundation and the symphony, in that Mrs. Woollen’s husband was a cousin to trust company president Evans Woollen, the orchestrator of the creation of the Indianapolis Foundation, and both men became officers of the American Central Life Company in 1914. Mrs. Woollen’s social status proved helpful in soliciting favorable responses from the letters she sent to several hundred potential new donors across the state.<sup>18</sup>

The Indiana State Symphony Society, Inc. gained official incorporation April 1937 – four full years after they received their first grant from the Indianapolis Foundation. In fact, according to IRS records, the society did not fully attain its Federal Tax Exempt status until September 29, 1943.<sup>19</sup> This shows an early example of the often informal nature of American philanthropic organizations frequently created in a rush of enthusiasm for self-glorifying civic improvements among wealthy citizens, as well as how slowly these organizations were brought into conformity with government regulations applicable to charities. Although the IRS had created exemptions for nonprofit organizations starting in 1917, very few nonprofits registered as such. This was mostly due to the fact that income tax and corporate tax was low and most organizations did not create enough income to justify such action. This changed starting 1942 when

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<sup>18</sup> Executive Committee of the Indiana State Symphony Society, *Symphony Bulletin* (Indianapolis: Indiana State Symphony Society, 1936) , Box 65/14; *The Insurance Year Book* (The Spectator Co., 1914), 228.

<sup>19</sup> Internal Revenue Service to Mr. Kumb, February 17, 1981, Box 65/15.

Congress voted to invoke progressive personal and corporate income which could be quite steep.<sup>20</sup>

Members of the local civic elite in Indianapolis who dominated the symphony board rigorously controlled the access of others into its ranks. One filter became the importance of contributing money to the organization in order to be placed under consideration for board membership. This was evident from the very beginning of the society and got codified in its bylaws, Article II, Sections 2 through 4. These sections state different levels of membership. A membership contribution of \$5 to \$25 [\$66 to \$329 CD] made one an “Annual Associate.” Gifts between \$25 to \$100 [\$329 to \$1,315 CD] earned a “Sustaining Associate.” Only if a member contributed \$100 [\$1,315 CD] or more, he or she would be considered an “Active Member” and eligible for election to the board by its directors. Additionally, only “Active Members” had voting rights, thereby securely placing power over the direction of the organization in the hands of the very wealthy.<sup>21</sup> Therefore, only the wealthy could attain such membership privileges in order to be enfranchised to shape the society’s development and direction.

The social importance of one’s place on the society’s organizational ladder could not be overestimated, especially among the wives of the wealthy. On April 20, 1937, the new members of the ISO held their first board meeting at the exclusive Columbia Club where participants created the new Women’s Board. Mrs. J. K. Lilly became its chairman and Mrs. Frederick Ayres, of the L. S. Ayres department store fame and

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<sup>20</sup> Peter Dobkin Hall, “The Welfare State and the Careers of Public and Private Institutions since 1945,” in *Charity, Philanthropy, and Civility in American History*, ed. and Mark D. McGarvie Lawrence J. Friedman (Cambridge University Press, 2003), 364.

<sup>21</sup> Articles of Incorporation of the Indianapolis Society, By-Laws, April 16, 1937, Indianapolis Symphony Orchestra Archives, meeting minutes Volume 1 from April, 14, 1937 to June 4, 1943.

fortune, became its first vice-chairman.<sup>22</sup> Once again, the common dominating presence in early 20<sup>th</sup>-century American philanthropy was men and women enriched by urban, commercial and mercantile entrepreneurial wealth. The Lilly family grew wealthy from the innovative development and marketing of pharmaceuticals, while the Ayres dominated local mass-merchandise retailing via department stores. The emerging socio-cultural and socio-political influence of elite bourgeois women was gained via their competitions for prominence in the governance of reputable civic charities. As author Kathleen McCarthy states of the charitable involvement of elite women, they “couched their claims to public authority in terms of their ethical purity [...]”<sup>23</sup>

One example of this fierce competition among wealthy women for these claims to public authority came only ten days after the ISO’s Women’s Board was created. On April 30, another board meeting was held where certain members contested the leadership of the Women’s Committee and as a result the power was immediately reshuffled. Mrs. J. K. Lilly had dropped from the prestigious chairman’s position to second vice-president and Mrs. Frederick Ayres ascended to the chairman’s position, which now held the title of president. Mrs. A.J. Beveridge moved from third vice-chairman to second vice-president, and Mrs. Charles Latham retained her position as third vice-president. The titles of these positions were changed from “chairman” to

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<sup>22</sup> Meeting minutes, April 20, 1937, Indianapolis Symphony Orchestra Archives, meeting minutes Volume 1 from April 14, 1937 to June 4, 1943.

<sup>23</sup> Kathleen D. McCarthy, *American Creed: Philanthropy and the Rise of Civil Society, 1700-1865* (University of Chicago Press, 2005), 170.

“president” in a very short period of time, no doubt because the term “president” was imbued with more social prestige, and was more gender neutral.<sup>24</sup>

The turmoil within the women’s committee continued until the meeting of May 1937, when the positions were revised again, with those who were not presidents or vice-presidents being named as “officers of the Women’s Committee.” This shows, again, the importance of titles among this small circle of elite women, and how charities were used to enhance their public image. It was noted that “a committee of four, consisting of Mrs. Ayres, Mrs. Beveridge, Mr. Ball and Dr. Clowes, shall meet to discuss the problems of the Women’s Committee.” The jockeying for position to obtain the title of one of these unpaid, volunteer board officers was so important to these women that the first two months of the board’s existence was wholly dominated by intense political battles, demonstrating that the female as well as the male elite used these organizations to not only lay claim to their efforts to improve the culture of the community, but also as vehicles for their own self-aggrandizement.

May 1937 also marked the first time prices were set for the choicest season seats to the symphony’s performances: lower boxes, \$200 [\$2,632 CD]; second group \$250 [\$3,289 CD]; upper boxes from \$150 to \$175 [\$1,974 to \$2,303 CD].<sup>25</sup> This was based on a twenty-week season and ten different performances.<sup>26</sup> These prices reflected the demarcations of the rungs and ranks of Indianapolis high society.

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<sup>24</sup> Meeting minutes, April 30, 1937, Indianapolis Symphony Orchestra Archives, meeting minutes Volume 1 from April 14, 1937 to June 4, 1943.

<sup>25</sup> Meeting minutes, May 13, 1937, Indianapolis Symphony Orchestra Archives, meeting minutes Volume 1 from April 14, 1937 to June 4, 1943.

<sup>26</sup> Collection of performance programs for 1937-1938 season, Indianapolis Symphony Orchestra Archives, meeting minutes Volume 1 from April 14, 1937 to June 4, 1943.

The very close relationships between the creators and trustees of the Indianapolis Foundation and the ISO board members continued to multiply. A foundation letter informing the ISO of the 1937 grant for \$5,000 (dictated 5 November 1937) was signed by Eugene Foster and went to Dr. G.H.A. Clowes, Director of Research at Eli Lilly & Company, in response to Clowes' request for the funds just a day before.<sup>27</sup> This means a symphony board member benefitted exclusively from a surprising one-day turnaround of \$66,000 CD, 24 hours from grant proposal to grant funding. This is a stunning response time for philanthropic action by any measure, unless one considers that at this same time, J. K. Lilly, president of Eli Lilly & Company and boss of Dr. Clowes, was also serving as a trustee of the Indianapolis Foundation. Thus, at the highest echelon of Indianapolis' industrial bourgeoisie, thick connections of professional service and inside friendship guaranteed near-immediate funding streams from elite philanthropists to their pet cultural organizations.

Suplicants for foundation aid who lacked such personal or professional ties to agents of the organization often went begging. This is evidenced by the foundation's rejection of grant appeals from Grace Wilson Evans, president of the Indiana State Federation of Colored Women's Clubs. Evans wrote in October 1937 requesting foundation funds to open a training school for "colored girls" in the State Club Home. Evans' proposal reached the foundation three weeks before the symphony's request. The foundation rejected Evans' request on the same day it granted the \$5,000 [\$66,000 CD] to the symphony. Foster wrote to Evans, stating "Our Board has given consideration to your request and I regret to advise you that it is not in a position to make any appropriation to

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<sup>27</sup> Dr. G. H. A. Clowes, Letter, by Eugene C. Foster, November 5, 1937, Box 65/14.

your project for Indianapolis colored women at this time.”<sup>28</sup> In Indianapolis, as elsewhere in midwestern cities, local “community” foundations at this time existed to serve and promote a very narrow range of “civilized” organizations, largely confined within the social circles of wealthy white, Protestant males and their wives. Such funding streams regularly excluded organizations directed by, or limited to benefit, ethnic and religious minorities of any kind. The class-based and sectarian nature of “community” foundation operations is blatantly demonstrated in this instance as it is in many cited before.

Although Foster claimed that he “regretted” the decision, he in fact recommended to the board that the organization not be funded and that he “would be willing to try to answer any questions you have regarding this matter.”<sup>29</sup> The minutes of the meeting at which the funding of the training school was rejected noted that “the Director was instructed to advise that our foundation is not in a position to make this appropriation.”<sup>30</sup> The language of the trustees here perhaps reveals more than they intended. They spoke of “our foundation” versus the “Indianapolis Foundation.” To me, this unguarded comment reveals the very proprietary attitude the trustees had regarding the foundation and its funding priorities. It is a statement of personal, not community, ownership, as though they are saying; “*Our* foundation only funds *our* kind of philanthropies and exists to satisfy *our* wishes regarding the proper endowment and embellishment of *our* community needs as *we* view them.”

This self-serving decision must be put into the historical context of a deeply segregated Indianapolis, and the common, avowedly racist public policy of the 1930’s.

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<sup>28</sup> Eugene C. Foster, Letter, by Grace Wilson Evans, November 5, 1937, Box 65/14.

<sup>29</sup> Eugene C. Foster, “Director’s Report to the Board of Trustees , Indianapolis Foundation, November 5, 1937,” Box 4/5.

<sup>30</sup> “Minutes of Meeting, Board of Trustees, Indianapolis Foundation,” November 5, 1937, Box 4/5.

But it is equally clear that the board's view that the proper, imperative local need for classical music, whether shared widely by the citizenry or not, took far greater priority over the charitable education of female African-Americans. This lack of the foundation's commitment to the welfare of local African-Americans and its persistently informal and unprofessional funding process is further illustrated in the March 1938 meeting minutes. Here, the board responded to a request for \$6,000 [\$81,080 CD] from the Flanner House to conduct a "Community Study of Indianapolis with Particular References of the Negro." This proposal included a two-page letter and a detailed, seven-page outline of how the project would be conducted. This documentation far exceeded the explanatory paperwork submitted by any other organization that year, especially requests from the symphony.<sup>31</sup> In predictable manner, the board declined the Flanner House projects, stating in the minutes that "the Director was requested to advise the officers of the Flanner House that the survey as presented seems beyond the scope of what our foundation could assist in doing, but that reconsideration could be given this matter at a later meeting."<sup>32</sup> Note again the reference to "our foundation" and to "the scope" of foundation operations normally excluding sociological or political investigations, especially when concerning urban minorities. This is further evidence of how U.S. community foundations commonly both policed and reinforced the class and racial lines of early twentieth-century U.S. cities.

Foster wrote to Dr. Winders, the president of Flanner House the next day, explaining that "a more modest programme might conceivably be developed in

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<sup>31</sup> Eugene C. Foster, by C. H. Winders, February 16, 1938, Letter from President of Board of Directors of Flanner House, Box 5/1.

<sup>32</sup> "Minutes of Meeting, Board of Trustees, Indianapolis Foundation," March 23, 1938, Box 4/5.

conference with this office and to which sympathetic consideration could be given.”<sup>33</sup>

Direct tutelage from foundation executives to Flanner House personnel resulted in a modified request of \$4,000 [\$54,054 CD]. With this intervention, Foster could justify funding because a “less ambitious study is now contemplated and [...] might prove a wise investment.”<sup>34</sup>

Compare this process of intervention with the near automatic funding of the symphony. Clowes wrote for funds again on 5 December 1938, making an additional request just a month after the last grant from the foundation for another \$5,000 [\$67,000 CD] for the next year. Foster promptly responded two weeks later with the promise of another grant for \$5,000 [\$67,000 CD] for the 1938-39 season. The funds were sent only two days later. Like clockwork, a year later on 22 December 1939, another letter was sent to Clowes and another \$5,000 [\$68,000] was speedily approved for the 1939-40 season.<sup>35</sup> Conversations and letters in 1939 also set the groundwork for a symphony endowment fund to be managed by the Indianapolis Foundation. In July, Foster wrote to Franklin Miner, the manager of the ISO, that the board believed “such a fund quite within the direction of our foundation... [and the accrued earnings would] be directed to your Society as you might choose to receive them.”<sup>36</sup> A memo in August 1939 by Foster noted that a pledge had been made for \$3,000 [\$41,000 CD], and that \$1,000 had already been received with another one thousand to be received within a few weeks. These funds

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<sup>33</sup> C. H. Winders, by Eugene C. Foster, March 24. 1938, Box 5/1.

<sup>34</sup> Eugene C. Foster, “Director's Report to the Board of Trustees , Indianapolis Foundation, May 24, 1938,” 1938, Box 5/1.

<sup>35</sup> Dr. G. H. A. Clowes, Letter, by Eugene C. Foster, December 20. 1938, Box 65/14.

<sup>36</sup> Franklin Miner, Letter, by Eugene C. Foster, July 20. 1939, From the Manager of the Indiana State Symphony Society, Box 65/14.



established the symphony's endowment under close foundation management and control.<sup>37</sup> For Foster and the trustees of the Indianapolis Foundation, the needs of the symphony orchestra regularly trumped further investigations of urban sociology that might have improved conditions for those in need.

The foundation's commitment to the symphony increased again in March 1941 when it unilaterally upped the symphony's funding to \$5,500 [\$65,000 CD].<sup>38</sup> Evidently, the funding had been delayed by several months due to the inability of the board to meet and the ISO had experienced a larger than usual deficit as a result of uncertainty concerning the 1940 race for U.S. president and the raging European war.<sup>39</sup> Again, Clowes acknowledged the importance of his association with J. K. Lilly, who was chairman of the Indianapolis Foundation at that time. He wrote to Foster, "I appreciate the way you and Mr. Lilly and the members of the Indianapolis Foundation Board have co-operated with us in the support of the orchestra and I can truthfully state that I do not believe the orchestra could have survived the somewhat precarious times we have had, had it not been for your most generous support."<sup>40</sup>

If there remains any doubt that J. K. Lilly's dual status as corporate and foundation leader had vital influence over the funding of the ISO, this can now be dispelled by a series of letters in 1942. The foundation was short on funds immediately after the entry of the United States into World War II, and could not make a financial commitment to the symphony. J. K. Lilly personally loaned the ISO \$5,000 [\$58,000

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<sup>37</sup> Note, by Eugene C. Foster, August 10, 1939, MSS 049, Note on index card from E.C.F., Box 65/14.

<sup>38</sup> Dr. G. H. A. Clowes, Letter, by Eugene C. Foster, February 21, 1941, Box 65/14.

<sup>39</sup> Eugene C. Foster, Letter, by Dr. G. H. A. Clowes, March 3, 1941, Box 65/14.

<sup>40</sup> Letter by Clowes.

CD], evidently predicated upon the expectation that the foundation would eventually designate funds to the ISO for the same amount. Sure enough, in March of 1942, Foster sent a check to the ISO for \$5,000 with the understanding that it was to be used to repay J. K. Lilly. Lilly's secretary acknowledged on March 27 that the check had indeed been received, endorsed by Lilly and deposited. (Note: although the ISO was receiving the same amount of funds each year from the foundation, the actual value of those contributions, in 2004 current dollars, decreased each year due to inflation, especially during the war years of 1941-1945.)

The 1943 foundation grant to the symphony of \$5,050 [\$55,000 CD] gained approval in December 1942. This continued generosity of the foundation toward the ISO during war time was acknowledged by the associate director of the Indianapolis Symphony, Howard Harrington. He stated, "I realize that the demands for support upon you are tremendously heavy, and your continued interest in our activities means a great deal to us, especially in these times."<sup>41</sup>

Harrington became the manager of the ISO in 1943 and initiated other fundraising efforts such as the newly created "Friends of the Orchestra," and its campaign for "Musical Dollars." This campaign must have been aimed at attracting new donors, because Harrington stressed that past and potential donors would not be called upon unless it was absolutely necessary. The ISO staff included a card with their appeal letters, which could be returned with pledge support. Local radio, once again, was pressed into service as a promotional tool for the symphony. Recipients of the new written funding appeal were encouraged to:

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<sup>41</sup> Indianapolis Foundation Board, Letter, by Howard Harrington, January 14, 1943, Box 65/14.

LISTEN TO THE  
“MUSICAL DOLLARS” BROADCAST  
OVER RADIO STATIONS WFBM – WIRE – WIBC  
SUNDAY, JANUARY 17, 12:15 NOON <sup>42</sup>

However, such fundraising campaigns proved inadequate to shore up the sagging income of the symphony. The war, inflation and increased taxes all took their toll, complicated by the fact that half of the symphony’s young musicians had already been drafted. This left the ISO no choice but to employ older, more experienced, and more expensive musicians, adding to the symphony’s economic ills. In part to cope with these new fiscal challenges, the Indiana General Assembly passed a law allowing local city and school corporations to use tax revenues to reimburse the ISO for services rendered.<sup>43</sup> The Indianapolis City Council and Indianapolis School City voted to support the ISO with \$50,000 [\$574,000 CD] in appropriations in 1944 and another \$50,000 [\$526,000 CD] in 1945. This led to the classic “crowding out” phenomenon that many modern researchers have identified, especially in regards to public perceptions of government funding. Many existing and potential donors came to believe that since the ISO was now being funded by public revenues, private funds were no longer necessary. Like today, some citizens were critical of public funding of the arts, such as the head of the Indianapolis Taxpayers’ Association, who complained that he “attended the first of the 1944 concerts and didn’t recognize a single tune that was played. Give me ‘Glowworm’ or ‘The Surrey With a Fringe Around the Top’.”<sup>44</sup> In contrast, a newspaper editorial defended the public

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<sup>42</sup> Letter by Harrington.

<sup>43</sup> Indianapolis Symphony Orchestra, “Fifty Colorful Years 1930/1980: The Indianapolis Symphony Orchestra,” 1981, Box 65/17.

<sup>44</sup> Eugene C. Foster, Letter, by Dr. G. H. A. Clowes, August 12, 1944. Indianapolis IUPUI/RLSCA/Indianapolis Foundation, Box 65/14.

expenditure because it made low cost concerts available to the citizens and children of Indianapolis and was not a subsidy, but an expansion, of the symphony programming that allegedly benefited the entire community.<sup>45</sup>

1944 set a precedent as the first time that the ISO was forced to borrow bank funds to meet its payroll. Clowes expressed these problems to the Indianapolis Foundation and implored it to continue its funding for the current season. He bargained that if the foundation maintained its commitment, and “if the civil city and school city appropriations made this year are continued on the same scale as next year, the orchestra will make no presentation to the Foundation next season or in subsequent seasons so long as the city appropriations are maintained at least on the present basis.”<sup>46</sup> Foster responded on March 9<sup>th</sup> with the usual check for \$5,000 [\$54,000 CD] and a sentence that foreshadowed the end of the ISO’s funding by the foundation - at least temporarily. He wrote, “As has been explained to you, we are hoping that your arrangement with public funds may make it possible for you to maintain your organization without further funds from our organization.”<sup>47</sup> This ended eleven years of a virtually uninterrupted funding stream from the Indianapolis Foundation to the ISO that would not re-emerge for another 10 years.<sup>48</sup>

In 1947, however, the ISO lost its funding from the city for that year and was in danger of losing the city’s 1948 funding as well. This was due mostly to fierce debates in the legislature about the appropriateness of using tax-payer dollars for such entertainment

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<sup>45</sup> Letter by Clowes.

<sup>46</sup> Letter by Clowes.

<sup>47</sup> Dr. G.A. Clowes, Letter, by Eugene C. Foster, March 9, 1944, Box 65/14.

<sup>48</sup> “Meeting Minutes, Board of Trustees, Indianapolis Foundation,” 1955, Box 9/1.

while other departments suffered budget cuts. At the same time, the Indianapolis Foundation leadership previously indulgent of the ISO had changed when J. K. Lilly, a foundation board member for 31 years and staunch ISO supporter, died on 8 February 1948. Keeping true to the nepotism that was prevalent among the trustees, his son, Eli Lilly, was appointed to the board on 16 January. Eugene Foster, also a stalwart supporter of the ISO at the Foundation, died just 18 days after J. K. Lilly. A new director of the Indianapolis Foundation, Paul Ross, took charge and received a desperate plea in December 1948 from Clowes for *any* type of funding, but Ross did not respond immediately as the board had yet to meet. In the meantime, the city responded to the ISO's panicked appeals in spite of its previous discontinuation of the ISO's public funding. The city reluctantly made a promised payment of \$15,000 [\$119,000 CD] in January 1949. This allowed the ISO to struggle on for a time, as future funding by the city now became uncertain. To make matters worse for the ISO, a memo from the new foundation director instructed the ISO not to make another funding request until they had clearly addressed how they were going to finance the coming year's season.<sup>49</sup>

The foundation's hesitancy to fund the symphony can, in part, be attributed to the slow growth in annual support, bequests, and endowments that community foundations in general were experiencing throughout the country. By 1950, most community foundations had suffered through the economic instability of the Great Depression, the military insecurity of World War II, the early Cold War, and the threat of imminent war in Korea. These events caused greatly reduced financial resources for most philanthropies and charitable organizations, retarding flows of support to their favored recipients. Yet

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<sup>49</sup> Paul Ross, Letter, by Dr. G. H. A. Clowes, December 22, 1948, Indianapolis IUPUI/RLSCA/Indianapolis Foundation, 7/3; Indianapolis Foundation, *The Annual Report of the Indianapolis Foundation for the Year 1948* (Indianapolis: Indianapolis Foundation, 1948), Box 7/3.

there were other, more fundamental and serious problems afflicting community foundations. In a rare self-critical analysis, community trusts began to admit to many of the mistakes they had made over the course of decades. This sharp candor was due to Frank Loomis, who had recently retired as executive director of the Chicago Community Trust after thirty years of service. He was now free to write unfettered by the constraints of what was deemed acceptable public knowledge by his former employer. By 1950, twenty-five of the one hundred community foundations started during the 1914-1949 period had disappeared, due in part to the collapse of stock market speculation and the evaporation of the “easy money” that flowed copiously from stock manipulation in the 1920s. Some early community foundations, and more importantly, the trust companies that controlled them, profited handsomely from such reckless speculation. Of those community foundations still in existence by 1950, many rested ineffective because of stultifying control by trust companies or simple, lazy lack of action by the Board of Trustees or Distribution Committees. Such committees, Loomis complained:

[...] appear to have been appointed in connection with the early organization of most of the Trusts, but apparently have nothing to do and no effective challenge to assume responsibility, some seem to have lain dormant or to have been forgotten. Some have been relegated to the inept position of being merely advisory to the bank trustee which has assumed full control of the entire enterprise, while others complain that they have really no discretion as to disbursements or the shaping of policies since nearly all gifts are strictly for designated institutions and their approval of appropriations is merely perfunctory.<sup>50</sup>

The fact that some trust companies exerted so much authority over gifting decisions strongly indicates that for many bankers the community trust was merely a shell, a tool to be used for self-promotion, a means to enhance the trust company’s public

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<sup>50</sup> Loomis, *A Review of Community Trust Experience*, 8.

image of trustworthiness, thereby increasing the prestige of banks and trust departments and to grow their more profitable deposits. As Loomis lamented, many of these charitable trust funds were already fixed, utterly incapable of progressive development since their payouts had long ago been committed to specific, named institutional beneficiaries. This situation created the sad possibility that the designated institution could fold and the trust company would be, once again, saddled with a dreaded “dead hand,” or moribund, useless trust. Loomis stoutly warned against this trend, stating, “Experience has shown that the institutions so designated will not always be among the strongest and best. Others may diminish in usefulness or their need for support may greatly decline. [...] If not carefully watched the Community Trust list may become overloaded with them.”<sup>51</sup>

Ironically, it was precisely the attempt to avoid such moribund funds that supposedly drove advocates of community foundations, especially trust company officers, to create such foundations in the first place. Now they were becoming agents of the very problem they were intended to solve. These facts reinforce one of the main discoveries of my research: trust companies created community foundations primarily to grow their own profits and rarely, if ever, to combat mortmain problems, or to address the real charitable needs of any community. Seen in this historical perspective, early community foundations did little or nothing to set an example of or promote the relentless reinvention and refocusing that is characteristic of major modern day U.S. philanthropies. Subsequently, forces outside of the community foundation must be credited with stimulating and driving the operational innovations of institutional philanthropies.

Loomis also accurately stated that “Community Trusts in the past have usually been created and sponsored by a local bank or banks, too often with too little correlation

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<sup>51</sup> Loomis, *A Review of Community Trust Experience*, 15.

or cooperation on the part of other community social and civic interests.”<sup>52</sup> For all of their talk of concern for the community in their public speeches, publicity campaigns and especially written communications, trust companies and banks really were not concerned with the health and welfare of the community. Nor did they create community foundations primarily to address those ends as professed. The fact that many community foundations were created hastily, without much thought or planning, points to their financial agents’ much greedier motivations. Even more damning was the accusation made by Loomis that more than half of all community trusts were actually managed by the trust companies themselves, through employees of their trust divisions, giving them complete control over the principle and interest of the trust assets and grant making from those funds. Loomis registered strong disapproval with this arrangement of using trust company men as administrators, citing the:

[...] uncertainty which may exist in the public mind as to their disinterestedness, their freedom and independent judgment in the management of an important charitable enterprise. A bank is a corporation organized for profit; should it also manage and control a charitable institution organized not-for-profit? Experience indicates that such a relationship between a bank and a charity can be bad for both the bank and for the charity. In the Community Trust such a relationship seems to violate the original and creative purpose of a Community Trust, the principle on which it was established – a clear separation of functions, management of capital by corporate trustees and direction of charitable services by charitable trustees. [...] The Community Trust could not exist without the banks. But can it exist without a strong and independent board of trustees of the charitable foundation itself and executive officers selected by and directly responsible to them?<sup>53</sup>

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<sup>52</sup> Loomis, *A Review of Community Trust Experience*, 8.

<sup>53</sup> Loomis, *A Review of Community Trust Experience*, 27.



Essentially, a majority of U.S. banks refused to give up control over disbursement of the charitable funds generated by their “charitable” trust accounts. Here, one sees the financiers’ self-interest repeatedly win out over community interests. This strengthens my contention that, clearly, the men running these community trusts were not at all representative of their communities, nor devoted to deeper community needs. These early community foundations persistently served and enriched the pet charities which trustees and wealthy bank clients deemed proper and “worthy.” Whatever the public reasons given for creating community trusts were, in reality these foundations more often operated to increase the power of the wealthy urban elite, enabling them to set the philanthropic agenda of a community and to manipulate public perceptions of their thinly-veiled self-dealing and self-glorifying munificence.

Such elite control early in the Indianapolis Foundation’s history explains why the ISO was funded in the middle of the Great Depression and outside the province of the foundation’s own officially started purpose. However, the changing from the old guard to new players in both foundation trusteeship and administration obviously affected the decision to discontinue funding to the symphony in 1945. The late 1940s and early 1950s were boom years for the United States, a time when it was exporting an enormous amount of goods to rebuild Europe as a result of the Marshall Plan, and the domestic economy was enjoying a healthy rate of expansion. So a growing, but increasingly unstable, local and national economy did not make philanthropic resources far scarcer. In this instance, economic factors alone cannot adequately explain flows of charitable capital into and out of the Indianapolis Foundation. The crucial initial determinant of

early funding was the class-conscious ambitions of the foundation's original financial proponents.

The leadership of the Indianapolis Foundation was in a state of change, as well as its interest in funding the ISO. The symphony must have gotten the foundation's new negative message as it was several years before another request from the ISO was submitted to the Indianapolis Foundation. In April 1953, Dr. G.H.A. Clowes, director of Research at Eli Lilly & Company and longtime elite advocate for the ISO, sent a letter appealing to the Indianapolis Foundation director, Paul Ross. He trumpeted the accomplishments of the ISO during the previous sixteen years, presenting the symphony as one of the city's chief assets. He then highlighted the high taxation and inflation that had plagued the country during the war years, citing that the dollar was now worth 50 percent less than just sixteen years before when the foundation was supporting the orchestra. Neither outside financial assistance nor ticket prices had kept pace, and Clowes stated, "for the first time in our history...we were compelled to borrow from the bank."<sup>54</sup> Evidently Clowes had forgotten about, or simply omitted, the first time the ISO borrowed funds from the bank in 1944, just nine years earlier. Ross replied that he seriously doubted that "the trustees will look with favor upon any proposal involving continuing commitment of funds for the Orchestra, as worthy a civic institution as it is." Nevertheless, Ross offered to put a proposal before the foundation board.<sup>55</sup>

Two months later, Clowes came up with a new approach to raising funds for the ISO. He proposed to engage the services of the American City Bureau (ACB), which had recently completed a successful campaign for a hospital in Indianapolis. ACB was one of

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<sup>54</sup> Paul Ross, Letter, by Dr. G. H. A. Clowes, June 16, 1953, Box 65/14.

<sup>55</sup> Dr. G. H. A. Clowes, Letter, by Paul Ross, April 28, 1953, Box 65/14.

several private fundraising companies that would move into a community to survey its wealthy citizens about how much money they might be willing to give to a particular cause. Once ACB and the organizations leaders were convinced that there was ample interest and the potential for sufficient funds, ACB worked with the contracting organization to create a fundraising campaign. Clowes stated that there would be a one-time cost of \$16,000 [\$113,475 CD] to cover the expenses of hiring the ACB, and that the private firm would take no percentage of the monies raised. His justification for such an expense was that ACB had been “uniformly successful and cannot afford to fail.”<sup>56</sup>

However, Clowes did not venture to estimate how much additional funds this effort might generate. A Colonel Herrington, who evidently was associated with the ISO board, informed one of the executives at American City Bureau, Bart Brammer, that he would only support a contract if ACB could guarantee that they would raise \$300,000 [\$2,127,660 CD], which was \$50,000 more than the symphony’s annual budget. Brammer wrote Ross at the foundation about the expectations that Herrington had put forth, and wondered what Ross’ thoughts were on the subject.<sup>57</sup> A week later, Ross notified Dr. Clowes that his request for funds had been reviewed by the foundation board and that they did not consider his letter a request for funding as it contained no details about how the campaign would be conducted. He also explained that even as the details were forthcoming, he doubted the board would approve the funds. In a diplomatic rejection, he stated, “Because of their high regard for you and the Orchestra, [...] the Trustees particularly regretted their inability to view the matter otherwise.”<sup>58</sup>

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<sup>56</sup> Letter by Clowes.

<sup>57</sup> Paul Ross, Letter, by Bart Brammer, June 26, 1953, Box 65/14.

Ross responded frankly to Bart Brammer of ACB a few days later, relating the history of the Indianapolis Foundation's role in funding the ISO over the years, especially to support programs for school children and scholarships. Ross also detailed the subsequent financing of the ISO by the city of Indianapolis. He believed that most of the orchestra's funding came from very few sources, and that there was a need to expand its income base in order to better ensure its future. He was not convinced, however, of Clowes' assertion that only one campaign would solve the ISO's long-term financial problems and he thought such an approach was unrealistic. Although he had respect for the reputation of American City Bureau as fundraisers, he stated "I question the ability of any fund-raising organization to do the entire job in one campaign." He also made it clear that it was unlikely that the foundation would support such a campaign regardless of the merits of the ISO, further reinforcing a change in the funding priorities of the board.<sup>59</sup> Here, one sees how the post-war proliferation of private, for-profit fundraising companies and their growing professionalism was altering the balances of power and prestige between old guard urban philanthropy patrons and successors.

Undaunted, Dr. Clowes responded within a week to Ross' bad news and pressed his case again, this time requesting \$8,000 [\$56,738 CD], only half the fee needed to engage the private fundraising firm. He also guaranteed to raise the additional \$8,000 by other means, saying that it was absolutely necessary to conduct the campaign if the symphony was to survive. He reiterated what a fine job American City Bureau had done raising money for a local hospital, and that he was sure it could do the same for the ISO. Hesitant about asking his current donors for additional support, he asked the board

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<sup>58</sup> Letter by Ross.

<sup>59</sup> Letter by Ross.

members of the foundation to assist him in finding other funding if they refused to approve his grant request. He offered to spend a few weeks putting together a detailed plan for the campaign, but shared that the board of the ISO “would hesitate to expend any portion of our resources on such plans at the present time so long as there is uncertainty regarding the financial support required to put the project through effectively.”<sup>60</sup> Ross again declined funding, suggesting Clowes look to the larger national foundations that were starting to support the arts.<sup>61</sup> This communication suggests that the Indianapolis Foundation’s commitment to funding arts organizations was decreasing, especially those with such wealthy patrons. This is further evidenced by the lack of funding that other arts organizations received from 1946 - 1951 – only \$5,000 in total. Compare that to the previous six years, 1939-1945, of ISO funding in the amount of \$30,000 and we see an 84 percent reduction in arts funding, making it clear that funding arts and culture was becoming less a priority.

By contrast, other program funding totaled \$569,000 for 1939-1945, and \$522,000 for 1946-1951, only an 8 percent decrease in funding, most of that due to a decrease in the support of services for orphans.<sup>62</sup> In the coming months, the ISO’s situation was becoming increasingly desperate and the foundation was contacted by several different people lobbying for new gifts to the ISO. In addition to the ongoing deficit issues the ISO faced, a new issue that adversely affected symphony income was the sudden decline in support from several older patrons due to their dissatisfaction with

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<sup>60</sup> Letter by Clowes.

<sup>61</sup> Letter by Ross. (Note: For instance, the Rockefeller Foundation made a \$400,000 [\$2,836,879 CD] grant to the Louisville Philharmonic Society in April of that year.

<sup>62</sup> Source: Annual Financial Reports of the Indianapolis Foundation, see funding figures in appendix.

symphony's artistic leadership. The orchestra's long-time music director and conductor, Dr. Sevitzy, was causing strife with the musicians and patrons, and as a result donors and season ticket holders were withholding their support as long as he continued to be employed. Sevitzy was dismissed in 1955 and guest conductors were brought in at half the cost. What was unknown to most outside the symphony was that on top of paying guest conductors, the ISO still had to pay \$15,000 [\$106,000 CD] to terminate Sevitzy's contract, causing even more financial strain in the months to follow.<sup>63</sup> Even with the \$15,000 obligation to Sevitzy, the ISO still claimed that Sevitzy's departure had the double effect of saving money and improving relationships with estranged supporters. Bolstered by the critics who claimed that the guest conductors presented better programs, the ISO leveraged this move to help improve its reputation in the community, thereby expanding its philanthropic audience. The ISO board members assured the foundation that these recent events would help lure back former donors and attract new ones.<sup>64</sup>

The symphony's advocates switched their lines of argument, now adopting the vocabularies of business and shrewd investments strategies to make the case that more than \$5 million had been invested in the ISO in the previous years, and arguing that it would be a mistake to allow the organization to disband and waste this "investment." In the U.S., the socially prominent backers of elite cultural organizations aided and abetted the repackaging of "*charitable capital*" into "*investment capital*." This was a shrewd maneuver on the ISO's part, because whoever "invested" in the organization would in actuality not be helping it grow, but instead servicing the symphony's debt to various

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<sup>63</sup> The Indianapolis Foundation, Letter, by Herbert E. Wilson, September 13, 1955, Box 65/13.

<sup>64</sup> Indianapolis Symphony, *Report from the Indianapolis Symphony to the Indianapolis Foundation* (Indianapolis: Indianapolis Symphony Orchestra, 1955), Box 65/13.

banks and concerns, which now stood in excess of \$30,000 [\$212,765 CD]. The organization's leadership was desperate for a healthy dose of new funding, and it turned again to the Indianapolis Foundation for support in the amount of \$10,000 [\$70,000 CD] for the rest of the 1955-56 season and \$5,000 [\$35,000 CD] for the 1956-57 season. These funds were intended to buy the ISO time to solicit monies from their reclaimed and new patrons. The ISO's plea ended with "The Directors feel that the Orchestra should stand on its own two feet and we do not intend to leech on the Indianapolis Foundation."<sup>65</sup> That promise was not to be kept.

These renewed lobbying efforts by the ISO and its influential advocates influenced a change of stance by the Indianapolis Foundation trustees. In October 1955, a check for half of the requested amount was issued from the Gustave A. Efroymsen Fund for \$5,000 [\$35,211 CD], to Herbert E. Wilson, the new president of the ISO.<sup>66</sup> The symphony now also employed a new music director, Izler Solomon, at a much-reduced salary compared to Dr. Sevitky's former compensation. By 1956, the ISO had raised the money to pay off Dr. Sevitky's contract, reducing their debt to only \$10,000 [\$69,000 CD].<sup>67</sup> Symphony advocates again requested \$5,000 from the Indianapolis Foundation for the 1956-57 season and received \$4,000 [\$27,777 CD] from the Pearl H. Mallott Trust, now managed by the Indianapolis Foundation.<sup>68</sup> Yet another foundation grant for \$5,000 [\$33,577 CD] was awarded for the 1957-58 season in September 1957, announced in a

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<sup>65</sup> Symphony, *Report from the Indianapolis Symphony to the Indianapolis Foundation*.

<sup>66</sup> Herbert E. Wilson, Letter, by Paul Ross, October 11, 1955, Box 65/13.

<sup>67</sup> Orchestra, "Fifty Colorful Years 1930/1980: The Indianapolis Symphony Orchestra," (Sevitky eventually took over as Music Director of the University of Miami Orchestra and died in 1967 during a European tour).

<sup>68</sup> Board of Directors of the Indianapolis Foundation, Letter, by Herbert E. Wilson, October 11, 1955 Box 65/13.

letter from Robert. A. Efroymson, Chairman of the Board. In 1946, Efroymson had inherited the Indianapolis Foundation trusteeship that his father, the late Gustave Efroymson, had held earlier, again, another example of nepotism and entitlement among the Indianapolis Foundation trustees. This combination of new leadership in both the ISO and the Indianapolis Foundation board ushered in change, re-establishing the previous pattern of elite support for an elite arts organization.



## **A Change in the Foundation's Funding Objectives: from Serving Children Musically to General Organization Support for the Symphony**

The Indianapolis Foundation grants awarded to the symphony from 1955 onward were no longer designated as funds to be used for concerts in the park for the general public, nor to support the musical education of students. The designation shifted to the support of the orchestra's "maintenance fund," or in more contemporary terms, general operating support. This was a major change in the funding priorities of the Indianapolis Foundation. The long quote that follows is the foundation's explanation of how it justified the unrestricted expense of thousands of dollars to this pet organization that served only a sliver of the community made up of the elite and upper-classes. Even the foundation's executive director at the time stated that "The relationship of the particular proposal to existing programs and to general community needs must be scrutinized and weighed."<sup>69</sup> But that scrutinizing of the ISO funding as a community benefit was left squarely in the hands of the trustees themselves. In the agenda for the foundation's October 1955 board meeting, Paul Ross stated:

For approximately 10 years prior to the time when the Indianapolis Symphony Orchestra began receiving tax funds from the Civil City and School City, the Foundation annually appropriated funds to help provide children's concerts by the Orchestra. There was no need to continue this program after the Orchestra became the recipient of \$50,000 annually for special concerts for children and adults.

In my recent conversations with Mr. Herbert Wilson I have made it clear that I do not believe the Board would consider becoming an annual contributor again to the Symphony Society. However, since *the Symphony is definitely a civic asset which raises the cultural level of the entire community*, I do believe that there are occasional

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<sup>69</sup> Paul Ross, "Speech at the Annual Meeting of the Health and Welfare Council of Indianapolis," April 24, 1956. Speech, Box 51/37.

instances where we should consider financial assistance for the Orchestra [emphasis added].

RECOMMENDATION: As indicated in the preliminary letter about this meeting, I am recommending that we make an appropriation in the current emergency. The extent of that assistance must be determined in part by action taken today on the preceding requests.<sup>70</sup>

Ross' insistence that the symphony raised the cultural level of the citizenry of Indianapolis and therefore was a civic asset was affirmed by the decision to fund the symphony in the amount of \$5,000 [\$35,000 CD]. The motion was made by Eli Lilly, the son of the biggest proponent of the symphony, J. K. Lilly, and was unanimously supported by the entire board of trustees.<sup>71</sup> This perceived need for high culture tops Maslow's hierarchy, and again affirms that the definition of community need that the wealthy patrons of the ISO held was at the expense of Maslow's more basic essential needs of existence barely met by the most vulnerable among Indianapolis society.

What originally began as elite largesse for civilizing a mass public through public concerts in the parks now waned as a prime criterion for further support. The foundation had yet to designate "arts and culture" as a category of funding interests, as Paul Ross alluded, but his participation in this eventual evolution was cut short. On 19 August 1957, the *Indianapolis Times* reported that he was found dead in his apartment.<sup>72</sup> The truth was that he committed suicide over personal problems, a gruesome fact that was mysteriously kept out of the newspapers and away from the public's knowledge. The foundation

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<sup>70</sup> "Minutes of the Meeting of the Trustees of the Indianapolis Foundation," October 6, 1955, Box 9/1.

<sup>71</sup> "Minutes of the Meeting of the Trustees of the Indianapolis Foundation," October 6, 1955, Box 9/1.

<sup>72</sup> "Paul Ross Obituary," *Indianapolis Times*, August 19 1957, Box 51/37.

trustees would have certainly preferred that such information not be released, as the public's perception of Ross' shocking action would reflect badly on the combined wisdom and judgment of the trustees who chose him. Their impeccable reputations might be sullied by scandal due to their failure to detect, or their willingness to tolerate, mental instability among their own. This would have generated the much-feared negative publicity for the foundation, leaving a stigma that would have been hard to shake. The foundation board was not prepared with a succession plan and had no one in line to take over the position, so the search began immediately for a new director. This lack of planning for staff departures highlights the informal and ad-hoc nature of nonprofit operations at this time, a pattern that persists in many nonprofits today.

By September of 1957, things had improved immensely for the ISO. According to a report to the foundation, the symphony had raised \$149,474 [\$1,003,181 CD], nearly \$9,000 more than anticipated. This left them with a positive balance of \$8,914 [\$59,825 CD], which was applied to the more than \$26,000 [\$174,496 CD] of debt. Some of this debt was incurred from previous deficits and some was the result of a loan taken to make recordings of ISO concerts, the royalties from which were used to help retire the debt. In spite of these advances, new costs were incurred when the symphony's payroll increased because the ISO began paying Social Security taxes for the musicians and staff. In the September report, the ISO requested Indianapolis Foundation funding of \$5,000 [\$34,000 CD] for the 1957-58 season, which was granted just 10 days later with a check to follow in October.<sup>73</sup> Symphony executives informed the foundation of deeper local corporate support with the news that the Chairman of the Board of Indianapolis Power and Light

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<sup>73</sup> Jack Killen, Letter, by Alan Meissner, September 11. 1958. Indianapolis, Box 65/13.

had increased his company's contribution by 20 percent.<sup>74</sup> This example of the emergence of corporate philanthropy in mid-century Indianapolis is another modernizing aspect of the nonprofit sector, the full effect of which on the operations of local community foundations has yet to be fully investigated.

The foundation's search in 1957-58 to replace the late Paul Ross reveals the trustees' persistent efforts to safeguard the organization as an agency of the city's male, largely WASP elite. This was still a time when a man's religion was no small matter for those ultimately deciding on foundation personnel, especially one as important as the director. During the search for a new director, an anonymous note referred to a possible candidate, Joseph Dunnington, Chief of the St. Joseph County Welfare Board. The note was addressed to Robert Efroymsen, who was chairman of the foundation's board of trustees, and Jewish. It confided that "he [Dunnington] is, I am told, a Catholic."<sup>75</sup> Whether that information was positive or negative or negative in the eyes of the trustees is uncertain, but Dunnington was not chosen to replace Ross. Robert Efroymsen informed Jack Killen in November that he was chosen as the new director, and in December 1958, Killen took the head position at the Indianapolis Foundation.<sup>76</sup> On December 10, a letter was sent to all of the candidates informing them that Jack Killen had been appointment as managing director of the foundation, a position he held for the next twenty years. As has been established earlier in my research, social and personal connection were important in many other decisions made by the trustees, and Killen's membership in Christ Church

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<sup>74</sup> Jack Killen, Letter, by Alan Meissner, September 11, 1958. Indianapolis, Box 65/13.

<sup>75</sup> Robert Efroymsen, by Anonymous, October 18, 1957, Anonymous typed note written to Robert Efroymsen c/o the Real Silk Hosiery Mills, Box 65/13.

<sup>76</sup> Jack Killen, Letter, by Robert A. Efroymsen, November 5, 1957, Box 51/36; "Killen Named to Foundation," *Indianapolis News*, December 11, 1957, IUPUI/RLSCA/Indianapolis Foundation, Box 51/36.

Cathedral in downtown Indianapolis could have been an advantage in winning the directorship, as it was also the same church attended by Eli Lilly.<sup>77</sup>

In 1958, the ISO became serious about raising funds from a far more diverse donor base through the use of various fundraising events and by tapping a wider array of influential people. This not only increased the ISO's bank account, it also enhanced its public visibility as the *Indianapolis News* and the *Indianapolis Star* began to regularly cover symphony fundraising events, profiling their volunteers, and reporting on surveys that showed the public wanted more outdoor concerts.<sup>78</sup> Another impetus for this fundraising initiative was a commitment that the manager of the symphony, Alan Meissner, and the symphony board made to retain high quality musicians. They expressed concern that without superior symphony musicians, local universities would lack quality teachers for their music programs, and parents would fail to find the best private instructors for their children. The board was well aware that orchestra members were paid for only 21 weeks a year, and that current stagnant pay rates lagged behind the salaries at other major orchestras and could never keep up with the escalating cost of living.<sup>79</sup> Here again, we see the professionalizing of middle-class Americans of the era in the service and entertainment industries putting pressure upon nonprofit cultural organizations and their philanthropic patrons, spurring them to devise even more

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<sup>77</sup> Flanner and Buchanan Funeral Centers, "Obituary of Frances Sharp Killen", Flanner and Buchanan Funeral Centers [http://hosting-tributes-4995.tributes.com/voice/leave\\_voice/35393809](http://hosting-tributes-4995.tributes.com/voice/leave_voice/35393809) (accessed July 23, 2011).

<sup>78</sup> Editorial, "Symphonic Strings," *Indianapolis News*, November 11, 1958, Box 65/13; "Symphony Fund Workers to Attend Wine-Tasting Party," *Indianapolis News*, January 22, 1959, Box 65/13; "43% in Poll Ask for More Concerts," *Indianapolis News*, February 23, 1959, Box 65/13; "In the Sun," *Indianapolis News*, May 7, 1959, Box 65/13.

<sup>79</sup> Letter by Meissner.

lucrative funding drives, in part to pay the respectable salaries highly trained musicians demanded.

Symphony executives were in constant negotiation with Local No. 3 of the American Federation of Musicians regarding increases in the salaries for their musicians while still keeping their budget manageable. The 1958 salaries for musicians ranged from \$80 [\$523 CD] to \$200 [1,307] per week, with an average salary of \$2,200 [\$14,379 CD] per 22-week season (expanded an extra week from the year before), with some musicians being compensated far better, up to \$4,400 [\$28,758 CD] for the 22 weeks. The union-approved salary pact for the 1958-1959 season drove symphony expenses up \$16,000 [\$104,575 CD] over the previous year, an amount that also included increases for the conductor and guest artists' salaries and fees. In anticipation of these increases, the symphony board voted to raise ticket prices by 12 percent, and added several more concerts in order to appeal to a wider array of people, such as "pops" concerts and concerts for young people. Meissner stressed that this would be earned income, not donated.<sup>80</sup> Many arts organizations of the time faced this similar need to diversify their operating income streams as much as possible. A new internal professionalization of all symphony operations complemented the professionalism of its musicians and this required a new rapport with old guard arts patrons.

These important changes in the operation of the symphony society reflect how its leaders began to understand the importance of offering more popular and commercially viable concerts to supplement the rest of the season, which still featured classical pieces of limited public interest that satisfied season ticket holders and long-time patrons. Symphony executives also began thinking seriously about long-range planning, which

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<sup>80</sup> Letter by Meissner.

included raising an additional \$200,000 [\$1,307,189 CD] during the 1958-59 season “not only to insure the current season, but to give us a financial backlog to plot the next.” One of the strategies they employed to accomplish this was to ask each of their “larger and traditional contributors to increase their pledges by at least 20%.” They then requested from the Indianapolis Foundation a contribution of \$7,500 [\$49,019 CD], a whopping 50 percent increase over the previous year.<sup>81</sup>

Although the foundation did not fund the amount requested, they did agree to fulfill the desired goal of the ISO for 20 percent increases by upping their standard contribution of \$5,000 to \$6,000 [\$39,215 CD].<sup>82</sup> Yet, in terms of 2004 constant dollars, this was \$15,000 less than the symphony received 14 years previous from the foundation’s 1944 grant of \$5,000 [\$54,000 CD] due to the tremendous inflation that had occurred in the intervening years. This was, and still is, an ongoing pattern of foundation funding -- the continued financial support of an institution at the same level for several years without considering inflation. While the Indianapolis Foundation could indeed boast that their contributions to the symphony were substantial, the truth is that they had declined drastically in constant dollars over the years. This blatant failure on the part of foundations to acknowledge the impact of inflation on nonprofit operating budgets contributes, in large part, to the need for nonprofits to constantly find new funding sources.

Several other funders followed the lead of the Foundation and increased their contributions to the symphony as well. Among them were the Lilly Endowment [\$25,000 to \$30,000 or \$167,785 CD to \$196,078 CD], the Clowes Foundation, [\$5,000 to \$6,000

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<sup>81</sup> Letter by Meissner.

<sup>82</sup> Letter by Meissner.

or \$33,557 CD to \$39,215 CD], and the Nick Noyes, Jr. Fund [\$3,000 to \$4,000 or \$20,134 CD to \$26,143 CD].<sup>83</sup> Newspaper articles and pictures from 1958 through 1959 reveal that the Symphony Society had recruited some highly influential members of the corporate world as fundraisers, such as Tom Billings from Indiana Bell Telephone, and Harry Pritchard, chairman of Indianapolis Power & Light and president of the Indianapolis Chamber of Commerce. The ISO also profited by a poll by the *Indianapolis News* that stated that 43 percent of those surveyed wanted more concerts.<sup>84</sup>

The following year, in October of 1959, the foundation again funded the ISO at \$6,000, [\$39,000 CD], this time from the James E. Roberts trust fund. This was in response to a letter from Meissner explaining that the budget for the 1959-60 season would be \$318,097 [\$2,065,000 CD], or \$31,697 [\$206,000 CD] more than the previous year, mainly due to salary increases for the musicians required after extending the season by two weeks. Meissner also made clear that although the ISO ended with a profit of \$23,356 [\$152,000 CD], most of that surplus was used to pay off past debts.<sup>85</sup> Another \$6000 [\$38,000 CD] was awarded in 1960, and the ISO was gaining some celebrity. Meissner apologized to Killen for his tardiness in acknowledging the gift, writing, “as you know, we have been up to our ears in the Jack Benny concert and have had little time to do anything else.”<sup>86</sup>

In September of 1961 Meissner sent a letter to the foundation bemoaning the fact that due to the recession of the previous year and “the sudden death of the Society’s

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<sup>83</sup> Letter by Meissner.

<sup>84</sup> “43% in Poll Ask for More Concerts.”

<sup>85</sup> Jack Killen, Letter, by Alan Meissner, September 1. 1960 , Box 65/13.

<sup>86</sup> Jack Killen, Letter, by Alan Meissner, October 26. 1959 , Box 65/13.



largest donor,” the ISO had fallen “\$20,100 short of the mark” [\$127,215 CD]. Given the small and insular nature of the city’s philanthropic elite, Meissner did not even have to mention this donor, who was quite probably Dr. George Clowes, who is listed in the *Encyclopedia of Indianapolis* as the ISO’s principal supporter at the time of his death in August of 1958. Clowes had set up his own separate foundation in 1952, but it is unclear from records whether the ISO was a recipient of those funds at any time. In spite of these deficits, the ISO’s budget was increased yet another \$15,000 [\$94,936 CD], mostly due to expanding the season one more week and increasing the musicians’ salaries accordingly.<sup>87</sup>

The next year, Meissner had some slight improvements to report, such as the 1960-61 deficit was only \$7,723 [\$49,000 CD], despite a \$12,500 [\$79,000] budget increase over the previous year. However, they had to renegotiate their contract with the Musicians Union for the next year, adding a \$5 [\$31 CD] per week increase per musician, resulting in a total increase of \$8,000 [\$50,000 CD]. Although wage increases were eating away at the ISO’s budget and inflation was eating away at the real value of the foundation’s contribution, Meissner again requested only \$6,000 [\$37,500 CD] for the fifth year in a row.<sup>88</sup>

In September 1963, Alan Meissner resigned to take another position, and a new managing director of the ISO took the helm, Hubert N. “Scotty” Scott. During the transition, the president of the Symphony Society, Clarence F. Elbert, vice-president of the Indiana National Bank, wrote to foundation director Jack Killen to plead the ISO’s case, once again due to desperate circumstances. The symphony was moving from its

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<sup>87</sup> Jack Killen, Letter, by Alan Meissner, September 12, 1961, Box 65/13.

<sup>88</sup> Jack Killen, Letter, by Alan Meissner, September 18, 1962, Box 65/13.

long-time home at the Murat Theatre to the new Clowes Hall at Butler University, causing it to incur expenses for risers, transportation and shipping of instruments, printing and advertising. The Musicians Union continued to create financial strain by pushing for another wage increase for \$25,000 [\$154,320 CD]. Scott noted the “Herculean effort” of the symphony’s last fundraising drive and promised to raise even more money in 1964 to meet the \$30,000 increase of the budget. In the face of these rising costs, Scott acknowledged the \$6,000 donation from the foundation the year before, but also added “we are desperately in need of extra help in this, our most crucial year.”<sup>89</sup>

This plea did not move the foundation board to increase its donation. Jack Killen sent a letter to Scott, stating “enclosed herewith are three checks totaling \$6,000” [\$30,037 CD].<sup>90</sup> Why there were three checks was not explained, but it may have been because the funds were donated from three separate donor funds. Scott’s “thank you” letter pointed to an understanding by the symphony’s leadership of the foundation’s interest in continued funding, stating “the Symphony Society is constantly endeavoring to improve on its already fine record of community service by making the benefits of our great musical organization available to more and more young people and adults each year. Your interest and generosity will do much to assist in accomplishing our goal.”<sup>91</sup> Notice how development executives like Scott were becoming savvy in their fundraising appeals by constantly invoking the value of their organization to the community and youth. These appeals were targeted more toward to second and third tiers of Maslow’s hierarchy, those that deal with the welfare of family and children, rather than the loftier

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<sup>89</sup> Jack Killen, Letter, by H. N. Scott, November 1, 1963, Box 65/13.

<sup>90</sup> H. N. Scott, Letter, by Jack Killen, November 13, 1963, Box 65/13.

<sup>91</sup> Letter by Scott.

top tier of self-actualization and creativity that were the domain of the wealthy. Clearly, the ISO was attempting to appeal to a much broader constituency now than it did before by defining the need for the orchestra in this way.

Scott informed Killen in October 1964 that the budget would rise again, this time more than \$44,000 [\$268,292 CD] due to adding two more weeks to the season and thereby increasing further the musicians' salaries. The accumulating deficit had reached \$210,000 [\$1,280,487 CD] and Scott hoped that the foundation's "Board of Directors will see fit to increase its annual contribution."<sup>92</sup> One sees here the dynamic of prominent arts organizations expanding their services in a booming post-war America, while still running persistent deficits in operating expenses. By regularly providing new and larger grants to the ISO, the Indianapolis Foundation clearly aided and abetted, indeed subsidized, the ISOs fiscal imprudence. Private and corporate foundations were even more to blame, as their assets and funding ability gradually exceeded those of the community foundation. In addition, the community foundation had clearly redirected its priorities compared to its earlier years, with its support of educational and social programs increasing while its support for the arts became sporadic. Yet it's ironic that narrow coteries of experienced businessmen controlling community and private foundations apparently overlooked such persistent deficit spending, a practice they no doubt would have condemned in their own corporations. Thus, the financial indulgence of foundations toward local arts organizations may, in part, explain the chronic economic insecurity of such organizations and their slowness to adopt more rigorous methods of budgeting and accounting.

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<sup>92</sup> Jack Killen, Letter, by H. N. Scott, October 14, 1964 , Box 65/13.

While survival of arts organizations under such circumstances was ensured, this type of regular indulgence by elite philanthropists toward the “civilizing” institutions they loved likely impeded the maturation of those artful groups as business enterprises. Further research is required to determine to what extent the elite businessmen running U.S. foundations actually managed, or even intended, their grant-making to communicate their own business management skills to other civic organizations like symphony orchestras. The accumulating death toll of U.S. symphonies and theatres, most often due to large budget deficits, suggests the early elite largesse may have fatally weakened symphonies and kindred arts organizations as viable, long-term businesses due to an engrained reliance on foundation bailouts.

One of the ISO’s board members, Herbert Wilson, followed up on Scott’s October plea a few weeks later by sending a copy of a statement he had composed concerning the history of the ISO to Jack Killen. This was written on the heels of the 1964 “Music Memory Contest” that involved 19,564 participants, obviously a large event for the ISO. At that time, the symphony employed 80 musicians for 27 weeks out of the year. Wilson pointed out that many orchestra members taught in the Indianapolis area schools or gave private lessons, and that most of them spent the money they earned in Indianapolis. In the late 1950s, *Time Magazine* listed the ISO as one of the Ten Best Major Symphony Orchestras in the country. They also toured all over the United States in order to meet the year’s budget and Wilson stated that the critics in these cities often “included a comment that the Indianapolis Symphony Orchestra must be recognized as one of the great symphony orchestras in the United States.”<sup>93</sup>

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<sup>93</sup> Jack Killen, Letter, by Herbert E. Wilson, October 26, 1964, Box 65/13.

Wilson's letter to Killen demonstrates how ISO boosters sought to extract more generous foundation grants by playing up the capacity of the symphony to elevate the city's own rank and distinction among other increasingly competitive American urban centers. Such intensifying U.S. rivalries catalyzed more foundation grant making to major arts organizations that were believed to be standard bearers of a city's civility and desirability. Under this pressure of such civic pride, indulgent grant makers had little incentive to demand fiscal discipline or management expertise from their pet organizations. I believe this conjunction explains, in part, the long-term economic fragility of many U.S. nonprofits, among them the ISO.

This process of invoking the ISO as a positive civic and cultural force is visible in Herbert Wilson's special pleading for more foundation grants in aid to the symphony's civilizing work among Indianapolis citizens, especially youth. Wilson noted: "The Orchestra plays three free concerts to the citizens of Indianapolis each year, and as many as 1000 have been turned away from these concerts." In addition, the ISO played many outreach "Tiny Tot Concerts," where families were charged only fifty cents per person to attend the concert and mingle with the musicians afterward. But Wilson asserted that the Music Memory Contest was the greatest instructive contribution the ISO made to the community. Sponsored in 1958 by the *Indianapolis Star*, WIRE radio station and the ISO, the objective of the contest was to conduct ear-training in classical music for a new generation of music lovers and to broaden the dissemination of western musical traditions via school and home listening. ISO musicians selected and played twenty-four compositions each year in local school classrooms, reaching an audience of 100,000 captive students. In addition, ISO records of the compositions were distributed to homes

and were broadcast on WIRE radio for ten weeks before the contest in order to communicate this “great music” to a young audience so that they might someday become avid symphony enthusiasts, and perhaps even patrons. Students competed against one another to identify the excerpts from these works in a contest performed live by ISO musicians. Each year, this contest boasted over 4,500 finalists, something that no other city in the country could match. In addition, the symphony still played 20 concerts a year in area high schools.<sup>94</sup>

In the same appeal letter, Wilson noted that several independent colleges in Indiana wanted to have the ISO visit to perform, but couldn’t afford the cost. To support such K-16 exposure to great western music, the Lilly Endowment stepped in and offered to finance \$1,000 of the \$1,800 cost for each of five college concerts a year, or a yearly commitment of \$5,000 [\$30,000 CD]. This left them in need of an additional \$4,000 [\$24,000 CD] from other sources in order to deliver the concerts. Wilson also highlighted an area of philanthropy that is still in modern times often overlooked when discussing organizational resources -- volunteerism. Wilson reported that “more than 6,000 men and women in some way or another take part in promoting the activities of the Indianapolis Symphony Orchestra.” Most of this volunteer effort involved soliciting funds, and although there were more women than men volunteering to do the actual work, “the more experienced men work soliciting larger contributions from professional groups and business organizations.”<sup>95</sup>

Wilson’s letter included an understanding of the competitive aspects of American businesses and their tenuous commitments to local communities. As early as 1964

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<sup>94</sup> Letter by Wilson.

<sup>95</sup> Letter by Wilson.

Wilson was lamenting a serious change that has only grown more prevalent in today's philanthropic climate:

A big problem facing the Orchestra in the future, as it now does, is convincing the corporations not domiciled in Indiana, and with home offices in some other State, that they owe something to the community and should support the Indianapolis Symphony Orchestra. The past few years have shown that a number of home owned industries have been sold to or merged with national corporations not domiciled in Indianapolis, and we often lose the support that was forthcoming when the plant was locally owned.<sup>96</sup>

Wilson highlighted the importance of a vibrant arts and culture institutional base to attract businesses and their employees to any city:

Recently industrial leaders have been telling us that when they are seeking a high grade person to bring to their plants in Indianapolis, the individual often asks what the City has to offer in the way of good schools and good music for himself and his family. This, we are informed, is becoming very important in enticing good personnel to come to Indianapolis.<sup>97</sup>

Wilson's argument anticipated by fifty years the similar argument made in 2002 by Richard Florida that members of the "creative class" actively seek out cities of residence where arts organizations of all kinds thrive.<sup>98</sup> Although Wilson made the case that the ISO was vital to Indianapolis, and H.N. Scott made it clear that the symphony needed the foundation to increase its support, the Indianapolis Foundation merely maintained its support at \$6,000 [\$36,585 CD], translating to a 9 percent decrease in real dollars since the first \$6,000 [\$39,215 CD] contribution in 1958, only 6 years earlier. At

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<sup>96</sup> Letter by Wilson.

<sup>97</sup> Letter by Wilson.

<sup>98</sup> See: R. L. Florida, *The Rise of the Creative Class: and How it's Transforming Work, Leisure, Community and Everyday Life* (Basic Books, 2002).

the same time, expenses that were expanding at about 7-8 percent per year for the same period compounded the symphony's troublesome circumstances.

Henry F. DeBoest, the vice-president of Eli Lilly & Company, became the campaign chairman for the ISO Maintenance Fund in 1965. DeBoest was another in a long line of wealthy elite who served on the boards of other Indianapolis high-culture nonprofits, including a board position for the Indianapolis Museum of Art and as president of the Indianapolis Art Association. His legacy as a major Indianapolis philanthropist has been secured via a lecture hall that bears his name at the Indianapolis Museum of Art. In September 1965, DeBoest sent a letter to the board of the Indianapolis Foundation asking them to “give serious consideration to increasing the *subscription* of the Indianapolis Foundation from \$6,000 to \$7,500 [\$45,000 CD] for the current campaign” [emphasis added]. His use of the word “subscription” instead of “donation” indicates that DeBoest's chief objective was to establish a perennial, rather than discretionary, nature to the foundation's ongoing support for the symphony. Ideally, a subscription is maintained perpetually and never allowed to lapse, precisely the kind of complacent foundation support to which the symphony was already clearly addicted. DeBoest's choice of words bespeaks precisely the degree to which symphony boosters came to expect such elite largesse, leaving little incentive toward more diversified fundraising and more prudent spending, despite the departure or amalgamation of older local firms and funders.

To push the foundation board to increase their support yet again, DeBoest stated, “We rarely quote what other contributors have been subscribing, but Lilly Endowment, Inc., has been contributing \$30,000 per year. Eli Lilly and Company supplemented this



gift by a \$4,000 underwriting.”<sup>99</sup> In 2004 dollars this represented \$183,000 from the Lilly Endowment alone. DeBoest’s letter was written on “Eli Lilly & Company,” letterhead, rather than that of “The Indianapolis Symphony,” suggesting that he wanted to give both his employer and the Lilly Endowment adequate recognition, as any good company man at that time would do. When one looks at the different players in the Indianapolis Symphony Society who were connected in some way with the Lilly name, it becomes clear that both the Lilly company and Lilly Endowment were tightly woven together with the ISO in many ways from its inception throughout its growth.

The watershed year for the symphony was 1965, when the symphony was being considered for a large endowment grant from the Ford Foundation, ranging anywhere from \$600,000 [\$3,592,814 CD] to \$2,500,000 [\$14,970,059]. The Ford grant sought by the ISO was part of an \$85 million program created to support more than 50 orchestras throughout the country and the Ford Foundation identified the ISO as one of its targeted 25 major orchestras, each with a budget of \$250,000 [\$1,497,005 CD] or more. News of the Ford Foundation’s interest in the ISO gave the Indianapolis Foundation board little incentive to increase their symphony donations. Despite DeBoest’s lobbying, the foundation only maintained its “subscription” of \$6,000 [\$35,928 CD]. Jack Killen tried to ameliorate the decision, writing to DeBoest that “while the Trustees did not approve an increase as you requested, I know how important the continuing grant is for the needs of the Orchestra. Henry, you may wish to discuss this further, and if you do, please call me.”<sup>100</sup>

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<sup>99</sup> The Indianapolis Foundation Directors, Letter, by Henry F. DeBoest, September 28, 1965, Box 65/13.

<sup>100</sup> Henry F. DeBoest, Letter, by Jack Killen, November 29, 1965, Box 65/13.

A major turning point for the ISO came on June 24, 1966, when the Ford Foundation awarded the symphony \$2,500,000, [14,500,000 CD] with \$500,000 [\$2,900,000 CD] to be used solely for maintenance expenses over five years. The remaining \$2,000,000 was designated for an endowment that had to be matched by equal contributions from the community over a five-year period ending on June 30, 1971. During that five-year period, the symphony was allowed to draw on accumulating interest from the endowment.<sup>101</sup> By the terms of this largesse, the ISO was also expected to raise, in addition to the matching funds, an annual maintenance amount of at least \$225,000 per year. This was both a blessing and a curse, because the ISO not only had to raise their annual maintenance fund, they also had to raise an average of \$400,000 per year for the endowment over the next 5 years, for an annual fundraising campaign of more than \$625,000 [\$3,742,514 CD]. To add to the pressure, the Musicians Union seized this opportunity to enrich themselves by insisting on large increases in salaries for their musicians.<sup>102</sup> Although the aim of the Ford Foundation's philanthropy was to generate enough financial support for these arts organizations to become financially stable, the reality was that such generosity aroused the demands by professionals to be better compensated, such as the musicians and executive staff. This did much to reward many in the ranks of American middle class society, but did little in the way of providing future financial security for the ISO.

The nationalization of philanthropic activity by major private and corporately owned grant makers began to alter the relationships between local arts organizations and

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<sup>101</sup> "Ford to Grant Symphony \$2 Million Endowment," *Indianapolis Star*, July 6, 1966, Box 65/13.

<sup>102</sup> Active Members of the Indianapolis State Symphony Society, by President Robert M. Seastrom, Indiana State Symphony Society, Inc., September 1, 1966, Box 65/18

their long-term civic patrons, the local community foundations. Such examples of modern corporately endowed philanthropies, such as the Ford Foundation, were stepping in to take up the more antique mission of supporting major, civic arts organizations like symphonies, ballet troupes, and theatre companies. Although the power of the individual elite funders were fading in comparison to these large foundations, old habits of elite philanthropic gift-giving to civilizing arts organizations died slowly, if at all, in the United States as the baton was passed directly to the new elite corporate foundations.

To make clear how it thought the Ford Foundation money should be spent, the ISO sent “An Open Letter to the Musicians of Indiana” that was a very detailed plea to the musicians of Union Local No. 3.<sup>103</sup> The union was pushing for a giant leap in salaries and the number of weeks of playing, asking for the total annual amount of musicians’ salaries to be increased \$267,000 [\$1,598,802 CD] above what they were currently paid. They also demanded additional increases every year totaling \$1.5 million [\$8,982,035 CD] over the five-year contract. Staff and executive salaries constituted 35 percent of the symphony’s budget, so the annual budget, if the union’s demands were accepted, would leap to \$1,900,000 [\$11,500,000 CD]. Even with the Ford Foundation money, the symphony would have to ask its elite patrons and the businesses of Indianapolis to increase their giving by more \$1,000,000 [\$5.8 million CD] per year.

Both parties came to an impasse and the ISO threatened to cancel the season if a more reasonable agreement was not reached.<sup>104</sup> However, this was avoided when the ISO factored in public opinion and “responded to the wish of the citizens of this community” by committing to a five-year contract with the musicians, which raised their

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<sup>103</sup> Letter by Robert M. Seastrom.

<sup>104</sup> Letter by Robert M. Seastrom.

minimum weekly salary by \$64 [\$370 CD] each by the end of the five-year period. This increased the ISO's annual budget another \$208,000 [\$1,175,141 CD] in 1967, and even with the Ford Foundation contributing \$160,000 [\$903,954 CD] for that year, the ISO's deficit was still projected to be \$48,000 [\$271,186 CD].<sup>105</sup> Again, the ISO requested a substantial increase in support from the Indianapolis Foundation, and the trustees obliged by increasing their annual "subscription," awarding the symphony \$8,000 [\$46,511 CD] for their 1966-67 season.<sup>106</sup> Hubert Scott replied with a sincere thank-you, wherein he noted "this represents a 33-1/3% increase by the Foundation and constitutes a sincere belief in the future of the Orchestra in the community, and we are extremely grateful." But even this increase was a failed attempt to put a finger in the ISOs leaking financial dike, as the goal of getting the symphony on solid financial ground was, once again, not accomplished and remained ever elusive.

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<sup>105</sup> Jack Killen, Letter, by H. N. Scott, November 3, 1966, Box 65/13.

<sup>106</sup> H. N. Scott, Letter, by Jack Killen, December 28, 1966, Box 65/13.

## **Conclusion**

The rapid evolution of the partnership between the Indianapolis Foundation and the Indianapolis Symphony Orchestra is indicative of the ISO's importance to the status of the social elite of Indianapolis. The ISO began in 1930 as a cooperative endorsed by the Indianapolis Chamber of Commerce and its leadership bragged that it did not rely on endowments or grants. However, this quickly changed as ISO leaders decided several times to expand the number of weeks in its season and to offer concerts throughout Indiana. As the number of performances and weeks of the season grew, so did the budget exponentially. In order to feed this civilizing instrument of elite choice, the wealthy patrons and the Indianapolis Foundation steadily fed its unfettered growth and the unsound business practices of their perpetual deficit spending, resulting in ongoing funding dependency.

Supporting the ISO during the Great Depression was justified at first as a civilizing distraction from the pressures of the economy, reflecting the top tiers of Maslow's hierarchy, and later as an important part of children's education, reflecting the middle and lower tiers. Soon, the symphony appealed to the donors with business arguments, stating that the community's "investment" in the ISO over the years was substantial and one that shouldn't be lost from lack of further funding. The ISO leaders made their case that it was not only a community asset, but that it enhanced the reputation of Indianapolis, creating a force that attracted people and business to the area. This claim of its value as a community need targets more the lower first and second levels of Maslow's hierarchy of needs, those of employment, food and shelter. In essence the elites

of the ISO changed their definition of community need as it related to the orchestra's importance in a way that expanded its appeal to a broader base of donors and citizens.

The ISO's escalating financial growth and fundraising savvy were enabled by the relationships that existed between the ISO board and the creators and trustees of the Indianapolis Foundation, and by the increased funding from large private foundations. Social, political, and professional ties paved the way for the annual grants from the Indianapolis Foundation that at least maintained their previous levels and sometimes increased. Corporations and large, private foundations also fueled this growth through large infusions of cash and challenge grants toward building an endowment.

My research question asking why the foundation trustees violated the purpose statement in the organization's original bylaws and funded an arts organization has been addressed by showing that funding the ISO enhanced their prestige, and their elite social positions allowed them the power and influence to do so. The symphony was a priority for the trustees because it was important to their elite society friends and business associates. The ISO's funding had little to do with crucial community needs, and the trustees routinely supported charities that were priorities of other powerful organizations such as the Chamber of Commerce. Equally crucial to their decision-making was whether or not the proposed programs were vehicles for substantial positive public relations for the board of trustees, the foundation and the trust companies that controlled both of them. What is also clear is that although the funding of the ISO by the Indianapolis Foundation was at times stagnate or even non-existent, as was the case from 1946-1955, other elites such as the Lilly family and Dr. G. A. Clowes established their own foundations and

accelerated the level of funding to the ISO far above any efforts the Indianapolis Foundation had ever attempted.

## **Chapter 7: The Indianapolis Foundation's Funding of the Indianapolis Symphony Orchestra, 1967-1984**

### **The Symphony's First Development Director**

By December of 1967, the ISO had added a new administrator to its payroll, Nicholas L. Jones, as director of development. Up until this time, the fundraising had been done by an amateur coterie of volunteers, officers of the ISO, or the executive director. Jones' addition marked the next step in the symphony's evolution toward professionalism over volunteerism. By this time, the symphony had expanded its season to 33 weeks with plans to expand one week a year for the next three years. One of the first letters that Jones sent to Jack Killen in December 1967 stated that five years previous the ISO's annual budget had been less than \$500,000 [\$3,000,000 CD] and that the budget for the 1968-69 season was to nearly double that to \$975,500 [\$5,500,000 CD]. He predicted that by the 1970-71 season the budget would exceed \$1 million. The budget he submitted revealed municipal funding expectations of \$60,000 [\$339,000 CD] per year from 1967 through 1971, signaling that the city and county governments had agreed to help support the ISO once again.<sup>1</sup> It was evident that the Indianapolis Foundation was not as important to the symphony's survival as it had been 35 years before. Jones and the ISO now operated in a complex late 1960s fundraising environment where the Indianapolis Foundation had become only one of several local sources of potential symphony donations.

Jones still continued to aggressively pursue funding from the foundation and his continued courtship paid off with a grant of \$8,000 [\$45,000 CD]. However, Jones' letter

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<sup>1</sup> Jack Killen, Letter, by Nicholas L. Jones, December 22, 1967 , Box 65/13.



was replied to with an admonishment from Killen, giving the new development director an education in the proper protocol to request funds. Killen wrote Jones that any funds requested should be solicited at least thirty days before the foundation board's meeting. "We came very close," Killen warned, "to not getting this grant authorized before the end of 1967 which would have meant considerable financial loss to the Orchestra."<sup>2</sup> Such a warning was never given to any other grant seeker, and the 30-day protocol had rarely been practiced in the ISO's previous appeals to the foundation.

Starting in June 1966, the Ford Foundation contributed \$100,000 [\$581,000 CD] per year for the operating budget and the ISO received another \$80,000 [\$465,000CD] per year from the interest on the Ford Foundation Endowment funds. By 1968, symphony agents were in full swing to raise money for a \$10,000,000 [\$54,000,000 CD] endowment, of which they had already raised \$4,000,000 [\$21,000,000 CD]. In spite of the annual Ford support and the endowment fund's interest, Jones felt that "there always, as far as we can foresee, will be the necessity of conducting a sustaining fund drive. During 1968/69 we must raise at least \$300,000 [\$1,600,000 CD]."<sup>3</sup>

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<sup>2</sup> Nicholas L. Jones, Letter, by Jack Killen, December 29, 1967, Box 65/13.

<sup>3</sup> Jack Killen, Letter, by Nicholas L. Jones, September 13, 1968, Box 65/13.

## **From Private Preference and Community Entertainment to Community Necessity**

Jones thanked Killen and made an assumption about the foundation's motivations for continued funding, stating: "This contribution is graphic evidence of our belief that Greater Indianapolis and Indiana want and *need* a major symphony orchestra in their midst" [emphasis added].<sup>4</sup> Jones' claim that general citizenry felt a *need* for the orchestra's presence in the community was a leap of faith and wishful thinking for his organization. Ordinary citizens may have wanted access to great music, but Jones' conviction of their need for a full-blown symphony reflects a middle-class bureaucrat's zealous attempt to champion the artistic tastes of the elite. Like the wealthy ISO advocates of the 1930s, Jones also presumed that regular inhabitants of the city somehow needed, or would benefit from, the sophisticating and civilizing effects of symphony music.

For several years the expense of touring had been unprofitable and hard on the ISO musicians, even though days of rest were built into their contracts when they were on the road. By August 1969, the ISO was beginning to phase out touring performances, and began to feel the pinch of a sagging U.S. economy, as were other orchestras across the country. ISO was forced to cut back the number of musicians to 82, and symphony executives recalculated the total projected budget downward to \$1,032,925 [\$5,325,000 CD], resulting in \$46,000 [\$237,000 CD] less than the previous season. Musicians' salaries and the conductor's pay now amounted to only 58 percent of the total annual budget, compared to 90 percent just a few years before. This highlights the rise in administrative and facility costs associated with running the organization. The symphony was now too large to function administratively by utilizing only dedicated volunteers

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<sup>4</sup> Letter by Jones.

engaged by a passion for music or a belief that a city without a symphony lacked refinement and competitive prestige. The symphony's bureaucracy now had a life of its own, with professional fundraisers and administrators vying to steer the organization's entire course.<sup>5</sup>

Even with professionals on board, in June 1970 the ISO teetered on the brink of financial disaster. In addition to a tough economy, the Ford Foundation commitment in 1966 of \$100,000 each year for five years was about to end. In a series of newspaper articles, three root causes of this dilemma were cited: (1) "The rising costs of maintaining an outstanding orchestra," (2) "The impossibility of earning income to keep pace with rising costs," and (3) the impending "loss in 1971 of \$100,000 a year from the Ford Foundation."<sup>6</sup> Yet, this crisis might have been a blessing in disguise. Newspaper men and community leaders came to the symphony's defense, stating several key reasons why the organization should be considered important to the entire Indianapolis community. These exponents stressed that the ISO's current situation was desperate and could "determine whether the symphony lives and adds even greater luster to the name of Indianapolis, or dies and cuts deeply in to the soul of the city."<sup>7</sup> The newspaper acknowledged that the community was divided on the issue, claiming that some people thought the ISO would survive this crisis and go on to be the top orchestra in the country, while others felt it was time to stop trying to support a local orchestra and import musical groups instead.

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<sup>5</sup> Jack Killen, Letter, by Nicholas L. Jones, August 6. 1969, Box 65/13.

<sup>6</sup> Harley Bierce, "Indianapolis Symphony Faces Financial Crises," 1969-70, IUPUI/RLSCA/Indianapolis Foundation, Box 65/13. Newspaper article, unidentified source or date but probably from the *Indianapolis Star* sometime in 1969 or 1970.

<sup>7</sup> Bierce, "Indianapolis Symphony Faces Financial Crises."

Justifications for increased support of the ISO were a combination of civic boosterism and the farsighted promotion of local business expansion. With constant touring to other cities, the symphony carried “the name of Indianapolis to the industrial executives who make the decision concerning the location of new plants.”<sup>8</sup> A traveling orchestra also communicated to the rest of the country that Indianapolis was culturally advanced and possessed a cultured populace. In the words of the ISO’s conductor, Dr. Izler Solomon, “those who criticize solid Midwestern genuineness as ‘backward’ and ‘provincial’ are forced underground when the Indianapolis Symphony Orchestra plays their city.”<sup>9</sup> Explaining that the ISO was not alone in its current financial crisis, Bierce also stated that out of twenty-three major orchestras in the country, nine of them had to open their seasons late and two had yet to reopen. Raising ticket prices would only make it appear that symphonic music catered to an “affluent elite,” and this would be a “distasteful development.” He also pointed out that subscription sales increased by 59 percent the year before, highlighting the popularity of the ISO to the monied public and the envy this prized cultural advancement would surely generate in other cities.<sup>10</sup>

The musicians were determined not to back down on their demands as they felt they had already sacrificed enough by accepting lower pay than other major orchestras were offering. Conductor Izler Solomon agreed with the musicians, pointing out that most of them held at least one and sometimes two college degrees and were paid poorly for professionals. In addition, because they only played for about two-thirds of the season, they were forced to find other jobs in the off-season to support their families. The

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<sup>8</sup> Bierce, “Indianapolis Symphony Faces Financial Crises.”

<sup>9</sup> Bierce, “Indianapolis Symphony Faces Financial Crises.”

<sup>10</sup> Bierce, “Indianapolis Symphony Faces Financial Crises.”

musicians strongly suggested that the federal government should help support orchestras, although most orchestras intentionally steered clear of federal funding. Other propositions to solve the immediate financial crises were to merge the ISO with another orchestra, or to change the name to the Indiana Symphony Orchestra, which would supposedly widen its support base across the state. To do that, it would also demand more traveling outside of Indianapolis, which was hard on the musicians and financially draining on the budget.

The new chairman of the ISO, Robert Seastrom, felt the American Federation of Musicians (AFM) was too demanding and quoted a musician from London who stated “The AFM must have a death wish. Their contract led to an upsurge of recording dates for London musicians where the rates are lower. It’s a godsend.”<sup>11</sup> This growing internationalization of the music business created new problems and opportunities for the survival and funding of many arts organizations, as it reshaped the world of arts funding for not only community foundations, but other funders as well. Although the Ford Foundation had given \$2 million [\$9 million CD] for an endowment fund, matched with \$2 million [\$9 million CD] by the Lilly Endowment, providing the ISO with \$4 million [\$18 million CD] toward its goal of \$10 million [\$45 million CD], Seastrom now projected that, in order to survive long-term, the symphony needed an endowment of at least \$26 million [\$135 million CD]. With that, he appealed to the citizens of Indianapolis:

I’m asking the whole community to support the orchestra. Everywhere we go we find people wanting to do what they can to help. We are going to implement this program and we are going to use the orchestra in ways never dreamed of. After Indianapolis has

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<sup>11</sup> Bierce, “Indianapolis Symphony Faces Financial Crises.”

licked these problems the sky is the limit. Other cities may give up on their orchestras but Indianapolis is not about to.<sup>12</sup>

Complicating the funding issues were new tax laws that were being considered at the time, and questions arose on how those new laws might negatively impact donors. The Tax Reform Act of 1969 placed new reporting rules on private foundations, taxed their net investment income, and required private foundations to adhere to paying out five percent of its assets annually to support charitable organizations. However, the Tax Reform Act defined community foundations as “public foundations,” and as such were determined to be exempt from the five percent payout rule, although most now usually follow the rule and sometimes even exceed it. Wealthy donors were limited in the amount of tax deductions they could claim annually for their charitable contributions, which had an impact on large donations to major nonprofits and metropolitan cultural institutions, such as art museums and symphonies. Nonetheless, the impact of these laws were generally beneficial to nonprofit organizations that were dependant on foundation funding, as foundations could no longer hoard the interest income from their investments and were ultimately forced to give a designated portion of it away to charitable organizations each year.

The ISO’s leadership understood that it would need to develop sources of income other than ticket sales, because expanding the season or adding more concerts did not increase ticket sales in line with the costs of musicians’ salaries and other expenses. To further complicate matters, symphony funding from the Indianapolis Public Schools for school concerts was also cut in half, although annual city funding remained at \$60,000.

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<sup>12</sup> Harley Bierce, “Target 71 Aims at State Status,” 1969-70, Box 65/13. Newspaper article, unidentified source or date but probably from the *Indianapolis Star* sometime in 1969 or 1970.

At the same time, other orchestras were giving major concessions to musicians, such as 52-week seasons and extended vacations, forcing the ISO to become more competitive to attract top musicians. The symphony was already losing 20 percent of its musicians a year to turnover and that figure threatened to get worse if the financial problems continued. In protesting the Tax Reform Act legislation being debated in Congress, the American Symphony Orchestra League argued “we are apprehensive that [...] cancellation of long established tax incentives for giving would prove to be the final push toward a disastrous breakdown of the willingness of voluntary givers [...] to continue to shoulder these charitable burdens.”<sup>13</sup> As it turned out, the financial impact on a large organization like the ISO was a mixed bag, with decreases caused by greater restrictions on an individual donor’s ability to write off charitable gifts, while increases were gained in funding from private foundations, due to 5 percent payout requirement that forced them to stop hoarding their cash.

As they had done for the last several years, the Indianapolis Foundation again granted checks totaling \$8,000 [\$41,000 CD] to the ISO in November 1969. It did so again in 1970, but this time with a breakdown of the funds from which the checks were drawn. \$6,300 [\$31,000 CD] was from the Roberts fund and \$1,700 [\$8,000 CD] was from the Rynearson fund.<sup>14</sup> Again, we see the annual amount the Indianapolis Foundation donated to the ISO as being relatively level, which at first glance appears to be a nod of approval from the foundation trustees toward the values of the symphony to the

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<sup>13</sup> Harley Bierce, “City Symphony Good As Best,” 1969-1970, Box 65/13. Newspaper article, unidentified source or date but probably from the *Indianapolis Star* sometime in 1969 or 1970.

<sup>14</sup> “Disbursement Statement to the Indianapolis Symphony Orchestra,” October 13, 1970, Box 65/13.

community. But in fact, not only did the foundation's contributions become stagnate, they actually declined in constant 2004 dollars from \$41,000 to \$39,000 due to inflation.

Symphony board directors estimated in 1971 that their shortfall for the next five years would be about \$1.8 million [\$8,400,000 CD]. The Lilly Endowment, once again, came to the ISO's rescue, but not without a catch. It pledged \$600,000 [\$2,800,000 CD] as long as the symphony could raise double that amount in matching funds, another \$1,200,000 [\$5,600,000 CD]. The general manager of the Lilly Endowment, John S. Lynn, wrote to the ISO, "We recognize that meeting these conditions...will involve a great deal of work on your part...But it is apparent that if the orchestra is to exist through the next five years, a broad base of community support will be vital." We see here the growing use of the "matching grant" method of giving by major foundations, such as Ford and the Lilly Endowment, as a powerful tool of philanthropic leverage that forced arts organizations to expand their community outreach by convincing the broader public of their legitimacy to exist.

This matching grant came during the time when the symphony was not only facing the aforementioned economic obstacles, but an impending contract renewal with the Musicians Union, and a five year wait until the Ford Foundation endowment was officially turned over to the ISO.<sup>15</sup> At the same time, the \$1.2 million [\$5.6 million CD] in matching funds for the Lilly grant had to be raised in addition to the regular annual fund campaign, as well as donations to the endowment fund that the Ford Foundation had initiated in 1966 to in order to grow it to the stated goal of \$10 million. The Lilly matching grant \$1.8 million total was only to meet the increased expense for the next five

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<sup>15</sup> "Symphony Orchestra Pledged \$600,000 By Lilly Endowment," *Indianapolis Star*, August 10, 1971, Box 65/13.



years, until the Ford Foundation endowment income would become available in 1976. Unmoved by the ISO's fiscal challenges, the Indianapolis Foundation contributed its usual \$8,000, which in constant 2004 dollars had declined 10 percent, from \$41,000 in 1970 to \$37,383 in 1971. For the first time, the check was drawn from the Indianapolis Foundation itself, and not from other donor directed trusts.<sup>16</sup> This signifies that no longer were individual trust donors designating the ISO as a funding interest, and the trustees were now using funds that were granted at their exclusive discretion, clearly indicating that they personally thought the ISO should still remain a funding priority. However, the priority among others arts organizations had changed, as the foundation contributed \$25,000 [\$122,000 CD] to the Indianapolis Museum of Art that same year, as they had done previously in 1969. From the annual reports of the foundation, we also discover that the trustees funding the Children's Museum of Indianapolis at the level of \$50,000 [\$213,000 CD] in 1973 and \$25,000 [\$96,000 CD] in 1974, while the ISO funding remained level at \$8,000. So even though total arts funding by the Indianapolis Foundation was on the rise, in comparison the ISO was not one of those being funded at a high level.

As their five-year contract neared its end, The ISO musicians and their union were becoming increasingly dissatisfied. They had agreed to a five-year contract in 1966 that was substantially lower than symphony musicians in other cities by as much as \$3,500 to \$9,000 [\$16,355 to \$42,056 CD] less per musician. The contract was signed with the understanding that the ISO would solve its financial problems within the five-year agreement so that at the next contract negotiation the musicians could be brought up to a

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<sup>16</sup> "Disbursement Statement to the Indianapolis Symphony Orchestra," December 10, 1971, Box 65/13.

pay scale more in line with other symphonies. When the new contract came up for negotiation in 1971, the ISO's financial problems had not been addressed and the Local 3 American Federation of Musicians was not about to settle for less again. The ISO's negotiating team tried to erase these old obligations while also asking for future concessions. The musicians, to their credit, did not strike and continued to play in the fall of 1971 under the old contract. Fifteen negotiating sessions were held to attempt to resolve the dispute, but to no avail. The musicians union notified the ISO that the musicians were going on strike at 1:00 P.M. on 21 January 1972. They believed there was no other alternative in the matter.<sup>17</sup>

A day before this ultimatum, the Indianapolis Foundation had committed another \$8,000 [\$36,000 CD] to the ISO, but this ever dwindling sum had no effect on the negotiations. The musicians held true to their threat, and the strike grew so big that its story made the *New York Times* as a special report on 1 February, with the headline "Strike and Shortage of Funds Threatens Indianapolis Symphony." The ISO responded by canceling all of its concerts through 18 February 1972, with the possibility of more cancellations to be announced. The entire orchestra and management team were evicted from Clowes Hall on the day of the strike and the musicians proceeded to picket the building, causing disruption to many other entertainment events taking place at the hall. Although the musicians were obviously suffering from lack of income due to the strike, eight ISO staff members suffered job losses due to concert cancellations and the loss of

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<sup>17</sup> Board of Directors of the Indiana State Symphony Society, Letter, by Hal Bailey, January 4, 1972, From the Secretary of Indianapolis Musicians, Local 3, American Federation of Musicians, Box 65/18.

income from ticket sales.<sup>18</sup> Acrimonious labor relations at major arts organizations complicated all aspects of fundraising, and this event certainly attracted the dreaded bad publicity that funders of the ISO wished to avoid, especially the trustees of the Indianapolis Foundation. By 1972, the stagnant perfunctory support from the Indianapolis Foundation had contributed to its decreasing significance as a revered funder of the ISO. The foundation thereby assisted in its own eclipse by larger foundations and donors as a primary patron.

The musicians had grown tired of hearing excuses from the ISO board and did not believe the claim that there was no money for increased salaries. The day after receiving the strike letter from the musicians union, H. N. Scott, president of the symphony board, wrote back and assured them that the ISO negotiators were being completely candid. Although the symphony was soon to lose the \$100,000 [\$467,000 CD] per year grant from the Ford Foundation, administrators did not want to propose a salary *decrease* for anyone. They were even willing to draw down on the small reserve they had in order to keep the musicians employed at their current salaries, plus provide a small increase over the next five years. The symphony board members insisted that they believed the musicians' salaries should be raised, but the immediate economic situation prohibited such generosity. Scott's exasperation and passion became evident as he concluded his letter to the musicians union:

Faced with the monetary facts of the situation, we do not know how we could have proceeded differently. In response to your desire for an economic offer, should we have proposed a salary decrease, which was all our funds allowed? Should we have promised money which we did not have, something which we felt would be fraud on the musicians? What should we have done,

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<sup>18</sup> "Strike and Shortage of Funds Threaten Indianapolis Symphony," *New York Times*, February 1, 1972, Box 65/18.

differently than we did? ... We do, however, deeply regret your decision to strike... It will produce less revenue, and therefore less money out of which we can pay salaries. I hope it will not discourage those who might otherwise be persuaded to pledge the balance of the \$1,800,000 fund [,]...discourage annual contributors[,]...result in musicians taking jobs elsewhere[,]  
...discourage and drive away any of the hundreds of volunteer workers upon whose dedicated services the existence of symphony music depends.<sup>19</sup>

Such evidence shows the vital struggles with harsh economic realities occupying arts administrators at this time. Generations of reliable largesse from wealthy elites left these groups ill-prepared to run themselves effectively in more economically complex and leaner times. From a historical perspective, it would appear that there were mistakes made on both sides. Unlike the for-profit corporations that the unions were used to dealing with, the symphony society had no motive for personal financial gain from the negotiations. No one would be profiting from the musicians receiving lower wages and, unlike business corporations, the finances of the ISO were truly an “open book.” They were not hiding any assets or hoarding profit. The demands the musicians made were tantamount to squeezing water out of a rock. However, in its effort to be honest, the symphony violated a basic and important negotiating tactic: never go to the table with your best offer, because it leaves you no further room to bargain. Instead of trying to placate the union, Scott could have improved the ISO’s negotiating position by initially demanding a decrease in the musicians’ salaries. If the negotiating team had stated the fact that the ISO’s financial deficits would force a cut in salaries, then the musicians might have turned their focus on retaining their current salaries instead of insisting on an increase.

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<sup>19</sup> H.N. Scott to Hal Bailey, January 5, 1972, Box 65/18.

The negotiations failed and the strike continued, stretching into a devastating event for all concerned. It became such an important issue that in March, the second month of the strike, even the mayor of Indianapolis, Richard Lugar, intervened by forming a task force headed by local media and communications businessman, Robert B. McConnell. The *Indianapolis Star* claimed that “Indianapolis has a loss on which no one can put a price,” and that the strike was “a tragedy whose effects stretch through the whole center of the state[...] Both sides are immensely unhappy and the rancor may poison the city’s cultural life in the future.” It was believed that few musicians had yet moved out of the state or sought employment with other symphonies, but that the possibility of such action was very real if the strike were to continue for much longer. If the ISO lost many of its top musicians, the article continued, it would become impossible for it to rebuild to its former status as one of the top ten orchestras in the country.<sup>20</sup>

The strike caused more than just financial hardship and the threat of diminished cultural capital. It also called into question the ethics and morals of those involved, as well as how the image of the city of Indianapolis would be perceived by others throughout the Midwest and the entire country. As the *Indianapolis Star* reporter inferred, “It raises fundamental questions about what the values and resources are of the most influential people in the community, and of the musicians. It alters the cultural and social climate in a way that can affect barometers of opinion elsewhere, about this city.”<sup>21</sup> One sees here how the media of this era grew more critical of the motivations of the elite, which amplified and complicated problems in arts administration and philanthropy at the

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<sup>20</sup> Paul M. Doherty, “Loss of Symphony Could Dull City's Image,” *Indianapolis Star*, March 12, 1972, Box 65/18.

<sup>21</sup> Doherty, “Loss of Symphony Could Dull City's Image.”

time. This was a more skeptical and opinionated civic world than that in which the Indianapolis Foundation had come to maturity as an early prominent funder of the symphony.

Fractures in the ranks of performers started to appear. One musician had already taken a position in Canada and others were sure to follow. Most of them had part-time jobs, especially during the summer off season, often doing manual labor such as house painting. But with inflation and a short season, the musicians believed they were falling further behind their professional peers in other cities, and the higher salaries of Washington, DC and Detroit created temptation to relocate. Some musicians were fortunate enough to be married to each other and were therefore bringing in dual incomes, but it was charged that the ISO management often took advantage of the situation and offered both lower salaries. The musicians also felt that the ISO had five years and the support of the Ford Foundation to prepare for the future and that they had failed in this vital responsibility. However, they also recognized that the ISO was attempting to raise an additional \$8 million [\$37 million CD] for the Ford Foundation endowment at the same time that other large civic projects were making new large additional demands on local donor resources. There were ongoing fund drives by several nonprofits: the Indianapolis Museum of Art, educational television, Butler University for a science building and Indiana University for a scientific research center. Yet the musicians believed that the ISO was wrongly forced to take a back seat to these competing drives, citing the positive public relations that the ISO generated through its traveling concerts. One musician pressed the case that the ISO should get funding priority over other civic projects like museums because “You can’t put a museum on

wheels...and we know this is important to the image of this city.”<sup>22</sup> Here we see the musicians themselves now becoming agents of fundraising, pressing the case that the ISO was an important public relations tools of the city and deserved to be supported above all other cultural institutions.

In these controversies, the Indianapolis Foundation trustees did what little they could to help ameliorate the situation. In this instance, they took an unusual step by announcing early approval of the 1972 grant to the ISO of the long fixed amount of \$8,000 [\$36,199 CD], with the condition that the regular concert schedule be resumed for 1972. This was only three months after their previous symphony grant of \$8,000 and had not been requested by the ISO. The foundation stated “we hope this early and unsolicited response to your present situation will help the symphony.”<sup>23</sup> However, the funds did little good as they did not arrive until seven months later on 16 October 1972.<sup>24</sup> Clearly, there were now sharp limits on how much clout the community foundation could wield on behalf of its oldest arts project, exacerbated by its lethargy to follow through in a manner to actually be effective. Part of this dilution of its influence and decreased interest might have been due to the fact that that during this time not only was the foundation supporting the Indianapolis Museum of Art and the Children’s Museum of Indianapolis, but theatre had finally been put on the foundation’s radar. During 1972 and 1973, the Indianapolis Foundation began to fund the Indiana Repertory Theatre, the Booth Tarkington Civic Theatre and the Christian Theological Seminary Theatre.

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<sup>22</sup> “Unless Settlement Comes Soon, Many Professionals May Leave,” *Indianapolis Star*, March 12, 1972, Box 65/18.

<sup>23</sup> Hubert Scott, Letter, by Jack Killen, March 3. 1972, Box 65/18.

<sup>24</sup> Letter by Killen.

## **The Public Fight for Control of the Symphony Society and the Eclipse of Community Foundation Arts Support**

The multiple crises caused by the musicians' strike unleashed the first public revolt amongst the membership of the ISO. One of its members, Sigmund Beck, now called for the ouster of the organization's chairman, Robert Seastrom. In addition, several board members and the society's chief legal counsel and its lead negotiator in the talks with the musicians union, Frederick D. Anderson, now faced calls for their dismissal. Anderson responded with a letter to the editor of the *Indianapolis News*, claiming that he had personally committed hundreds of hours to the negotiations in order to develop bargaining policies, asserting that "if those policies, and those who have formulated them, are rejected by the membership, then the negotiating must be put into other hands. I could not effectively implement substitute policies which Mr. Beck has described as 'visionary'."<sup>25</sup>

The ISO's financial situation became even more perilous. Of the \$1.8 million [\$8.1 million] annual budget for 1973, the society had received pledges of only \$1.3. They also had \$340,000 [\$1,538,461 CD] worth of cash and assets which they were asking the Lilly Endowment to consider as part of the matching funds in order to increase the Lilly Endowment's contribution. To make matters worse, in September 1972 the negotiating team for the ISO offered the musicians \$1.2 million [\$5.4 million CD] over five years, an amount they were not even sure they could raise. Again, this is another example of the lax, irresponsible managerial and budgetary culture of the symphony, made all too ingrained by decades of complacent funding by elite philanthropists.

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<sup>25</sup> Frederic D. Anderson, "Letter to the Editor," *Indianapolis News*, August 31, 1972, Box 65/18.



The fight for control of the symphony raged on. A card was sent out from the ISO board to all the symphony's members urging them to appoint three particular people as their voting proxies. An accompanying letter warned them that, if they signed a competing proxy from Sigmund Beck and two others, they would be voting to eliminate Anderson, Seastrom and six other board members. The board urged the ISO members to return the enclosed proxy card in order to cancel out a vote from any proxy card they might have signed previously from Beck's efforts and that it "should be signed, dated and witnessed."<sup>26</sup> The current board members were desperate to hold on to their power and retain control, and they were leaving nothing to chance.

An agreement was finally reached with the union and the first concert of 1972 opened on September 28<sup>th</sup>. However, the chaos, layoffs and internal staff acrimony must have caused some administrative lapses within the organization because the ISO failed to submit a request to the Indianapolis Foundation before January for the 1973-74 season.<sup>27</sup> As a result, they did not receive another grant for that year. Herbert A. Huene, chairman of the Operating Drive Fund for the ISO, wrote to Killen in February of 1974 informing him that the ISO was anticipating yet another deficit for the 1975-76 season, this time amounting to \$800,000 [\$3 million CD]. Huene emphasized that not only was the foundation's continued support needed, but he also requested an increase of at least 20 percent over that of previous gifts from all donors to offset the never-ending shortfall. Although the Indianapolis Foundation continued its support with another grant in April, the trustees were not swayed by the plea for an increase of 20 percent. They again sent

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<sup>26</sup> Letter by Robert M. Seastrom.

<sup>27</sup> Indianapolis Foundation, *Interview Report* (Indianapolis: Indianapolis Foundation, 1974), Box 65/18.

the perfunctory annual contribution of \$8,000 [\$31,000 CD], which translated into 2004 constant dollars reflects a decline of 30 percent from 1966.<sup>28</sup>

By September 1974, the ISO's budget had grown to \$1,603,458 [\$6,100,000 CD], but now with a net deficit of \$442,003 [\$1,700,000 CD]. The symphony's annual report emphasized how important having an orchestra in the city was to the Indianapolis community by listing in the "donors" section over 100 corporate and foundation names and more than 250 individual patrons. The ISO's pleading had prompted several donors to increase their contributions, including the Lilly Endowment, Inc., Krannert Charitable Trust, Indianapolis Banks Clearing House and both Indianapolis newspapers.<sup>29</sup> They, along with the Indianapolis Foundation, were listed in the top category of "Corporate Patron" for those who gave over \$1,000 annually to the ISO.<sup>30</sup> Like the Indianapolis Foundation and the wealthy elite individual donors of previous years, large foundations and large businesses continued to fuel the ISO's unbridled budget growth.

The symphony's failure to send a grant request to the Indianapolis Foundation for the 1973-74 season could have been because the symphony had lost its development director in the interim. A letter dated 25 February 1974 from the ISO to the foundation was signed by the symphony's new development director, T.D. Hudson, and included was a copy of the symphony's 1972-73 audit, which the foundation had requested, as well as a proposed budget for 1973-74. This is the first time during their 40-year relationship that the Indianapolis Foundation, signaling that the foundation's trustees were less willing to continue funding an organization that did not have its fiscal house in

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<sup>28</sup> Herbert A. Huene, Letter, by Jack Killen, April 10, 1974, Box 65/18.

<sup>29</sup> Jack Killen, Letter, by Herbert A. Huene, February 15, 1974, Box 65/18.

<sup>30</sup> Indianapolis Symphony Orchestra, *Annual Report of the Indianapolis Symphony Orchestra* (Indianapolis: Indianapolis Symphony Orchestra, 1973-1974), Box 65/18.

order and was constantly operating in deficit, requested any such accountability from the ISO. Hudson's letter thanked Jack Killen for agreeing to meet with him and two other members of the ISO, impressing upon him that they were "mindful of the excellent support the Foundation has given us in the past, and we look forward to a continuing relationship in the future."<sup>31</sup> Given the fallout of the strike year, it was imperative for symphony executives to mend fences with their oldest and most relied-upon patrons. This long-term status was certainly true with the Indianapolis Foundation trustees, who had given the symphony \$156,000 [\$1,163,000 CD] since their relationship started in 1933.<sup>32</sup>

For the first time, symphony executives emphasized their growing concern regarding competition from other entertainment venues, including theaters, sporting events, and television, and blaming them as the culprits that were sapping the symphony's attendance and support. The post-war proliferation of American mass-media entertainment and venues became a trend that old-line arts organizations and their patrons were ill equipped to challenge or reverse. As part of their a new attempt to save money, symphony directors decided to merge the management of the ISO with that of Clowes Hall, making each responsible for 50 percent of the expenses. Although they planned concerts throughout the state, 90 percent of the concerts took place in Indianapolis. In spite of the fact that the musicians' contracts were to expire in two years, requiring new renegotiations, "extremely good relations were reported with the Union by Messrs. Huene, Weedman and Hudson."<sup>33</sup>

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<sup>31</sup> Jack Killen, Letter, by T. D. Hudson, February 25, 1974, Box 65/18.

<sup>32</sup> Indianapolis Foundation, *Interview Report* (Indianapolis: Indianapolis Foundation, 1974), Box 65/18.

<sup>33</sup> Indianapolis Foundation, *Interview Report*.

Jack Killen and the Indianapolis Foundation were supplying more than money to the symphony. Killen supplied volunteer service and expertise as well, especially in the area of fund raising. He held a mentoring session on the finer points of fund development with Terry Hudson, the symphony's new development director. Hudson acknowledged that "it was extremely helpful to talk with a seasoned pro about areas that have been question marks for me for some time. It was reassuring to know that some of the things I was doing are among the tested methods of good fundraising administration. The additional ideas and insights you gave me will help put the Symphony on an even more solid footing in the future."<sup>34</sup> It is rare, indeed, when a foundation executive shares the secrets of how to coax more money out of a foundation. However, Hudson was letting Killen know, in a subtle and politically savvy way, that Hudson did, indeed, know what he was doing, while tipping his hat to Killen's wisdom.

Hudson's comment that the symphony was on "even more solid footing," inferring that the ISO had been solvent before, was a questionable claim at best. The symphony's annual budget had risen to \$2.3 million [\$8.8 million CD], projecting a looming deficit of over \$500,000 [\$1.6 million CD] by 1976. "Solid" was a wholly inaccurate description. Although the Ford Foundation endowment of \$2 million would arrive in 1975, the interest on the endowment would only make a dent in defraying symphony expenses. It was estimated that an additional \$5.5 million [\$18.6 million CD] would be needed through the 1978/79 season in order to break even. It was proposed that a \$25 million [\$88 million CD] endowment be established to defray future costs. In the face of continuing financial problems, the ISO again requested an increase in the 1975

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<sup>34</sup> Letter by Hudson.

grant amount from the Indianapolis Foundation.<sup>35</sup> The foundation responded with the same donation it had given the ISO for each of the previous six years, \$8,000 [\$28,070 CD], yet another \$2,000 drop in constant dollars from the previous year.<sup>36</sup> With such persistent refusal to augment financial assistance, the Indianapolis Foundation progressively diminished in stature among the symphony's influential patrons. Structural limits to the foundation's assets and its position as one of the lesser arts patrons in the city marked the end of an era of symbioses between trust bankers, community foundations, and the local chief cultural organizations they once sponsored.

In 1975, the ISO organized a major campaign supported by a well written case statement with the theme "GO SYMPHONY \$500,000." Its goal was to raise \$500,000 [\$1.8 million CD] to cover the anticipated deficit for the 1975-76 season. This drive's chairman was Richard DeMars, President of Geupel DeMars Inc., a construction company that managed large Indianapolis projects such as the Indianapolis Zoo and the Children's Museum of Indianapolis, both projects of which the Indianapolis Foundation trustees had voted to support with large donations. DeMars served on the boards of several Indianapolis nonprofits, and not surprisingly, his company was later contracted to manage the renovations of the Circle Theatre when the ISO made the theatre its home in the 1980s. Again, these business and social relations created opportunities for the wealthy to use their connections to charitable organizations to advance their own interests and expand their wealth.

DeMars aggressively advocated for additional financial support, not only from the community, but also from the ISO's traditional funders. He strongly suggested that the

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<sup>35</sup> Jack Killen, Letter, by T. D. Hudson, January 21, 1975. Indianapolis, Box 65/18.

<sup>36</sup> Letter by Killen.

Indianapolis Foundation should double its contribution to \$16,000 [\$53,156.15 CD]. His strategy was the now oft used method of showing how much the ISO contributed to the community and to the reputation of Indianapolis. Playing on the old-line, elite funders' love of acculturating lower class children, he even quoted a letter from Lisa Perry, a 7<sup>th</sup> grader from Westlane School, in which she wrote, "I really enjoyed the concert very much...I was taking Orchestra in school, but I had to stop...I really would like the Indianapolis Sympony [sic] Orchestra to come back."<sup>37</sup>

DeMars also exploited the opinions of critics outside Indianapolis to demonstrate how important the ISO was to the city's continued good public relations and enhanced national repute. He quoted Winthrop Sargeant, a critic from *The New Yorker*, who wrote, "[...] the Indianapolis Symphony has it all. It is simply one of the most magnificent orchestras in the country." DeMars also quoted Harold Schonberg of the *New York Times*, who stated "it is a typical American orchestra in its smoothness, power, brisk ensemble and adept solo playing." DeMars drove his point home by quoting Byron Belt in the *Chicago Daily News*: "Hopefully audiences in the Indianapolis Area recognize their treasure and will support [...] the orchestra to the hilt. The orchestra was a proud ambassador of Indiana."<sup>38</sup>

The complacent \$8,000 annual contribution from the Indianapolis Foundation had diminished in significance compared to most other funding sources by 1975. The ISO's annual budget had burgeoned to \$1,867,826 [\$6.6 million CD], with an expected climb to \$2,118,700 [\$7.4 million CD] for 1976. The dividends from the Ford Foundation

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<sup>37</sup> Sue Station, Letter, by Lisa Perry, September 24, 1975, Box 65/18.

<sup>38</sup> Indianapolis Symphony Orchestra, "Tentative Case Statement for the Indianapolis Symphony Orchestra," 1974, Box 65/18.

endowment were \$124,376 [\$436,000 CD], dividends from the ISO's own endowment were \$66,710 [\$234,000 CD], and municipal and local government funding now came to \$71,000 [\$249,000 CD]. The National Endowment for the Arts became a new contributor at \$140,000 [\$491,000 CD], and was slated to increase to \$150,000 [\$526,000 CD] for the next season. The latter sum was the maximum amount of matching federal support that any U.S. symphony could receive. Even arts grants to the symphony from the always-parsimonious Indiana State Government had grown two to three times larger than the Indianapolis Foundation's support. State funding now amounted to \$18,000 [\$63,000 CD], and was projected to increase to \$35,000 [\$122,000 CD] the next year. The rest of the income for the symphony's total budget was raised through ticket sales and fundraising drives.<sup>39</sup>

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<sup>39</sup> Indianapolis Symphony Orchestra, "The Case Statement for Support of Symphony Music through the 1975/1976 Operating Fund of the Indianapolis Symphony Orchestra," 1975-1976, Box 65/18.

## Support in the Media and Newspapers

Growing and lucrative subscriptions expanded the power of newspapers, and they took over as prime boosters of local arts organizations. One example of this was an editorial piece by the *Indianapolis Star* that contributed to the arts promotion effort:

If a city's stature is measured by its cultural achievements, then Indianapolis is at the top of the list. Indianapolis has been able to maintain this position through the years because private citizens from all strata of society have contributed generously to the support of our institutions when the need arose...[T]his time the city's residents are being asked to support the nationally acclaimed Indianapolis Symphony Orchestra...[last season] 276,400 persons saw and heard the 80 professional musicians ...More than 34,000 persons in cities across the nation saw and heard the symphony last season in 23 concerts, even though the symphony directs its efforts primarily to local audiences...Reviews in publications across the nation show it to be instrumental in establishing Indianapolis as a cultural location. It has been called one of the 10 best orchestras in the United States by national critics."<sup>40</sup>

This writer's assertion that the ISO's existence was due to the support of "private citizens" overlooks the many years of support by the Indianapolis Foundation, indicating that the foundation's efforts to use its largesse to impress the general public with its good community works had ultimately failed. As the foundation's contributions to the ISO diminished in comparison to large private foundations, so did its ability to command special recognition by the press and the community.

It is an important historical lesson for arts organization fundraisers today to understand that the ISO grew in importance as a public relations instrument for the city rather than as a vehicle for providing cultural enrichment to local audiences. This is one effect of the growing influence of the media on fundraising, as well as the intensified

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<sup>40</sup> "Symphony Major Factor in Indianapolis' High Cultural Ranking in U.S.," *Indianapolis Star*, December 14, 1975, Box 65/18.



cultural competitiveness among U.S. cities, especially in the Midwest. Although a smaller and smaller percentage of the community actually attended the symphony, it was often poised as an organization that the entire community insisted upon. Even the new president of the symphony board, William Weisell, claimed “we are on trial this year. We must prove that the symphony is supported by the people of Indianapolis.”<sup>41</sup> Such quasi-democratic puffery made good newspaper copy, but essentially disguised the diminished attendance at symphony concerts. It also reduced the role of old-guard elites in the effective, predominant funding and control of major arts organizations.

The symphony’s new case statement and resulting public relations campaign eventually pushed trustees of the Indianapolis Foundation into higher levels of support, and they met Richard DeMars’ request for a substantial increase in their symphony contribution.<sup>42</sup> They doubled their standard contribution of \$8,000, to \$16,000 [\$53,000 CD], but this was still a very minor amount compared to the total funds raised for the orchestra.<sup>43</sup> Corporate donations and corporately fueled endowments, like the Lilly Endowment, now contributed far more money to the symphony, overshadowing the old bankers’ trusts that had morphed into the Indianapolis Foundation.

Although ISO budget continued to increase in 1977, the Lilly Endowment, again, came to the rescue. It offered a “Two-For-One Match,” which meant that for every dollar another donor gave the Lilly Endowment would give two dollars, up to \$1 million. This had the potential to provide the ISO with \$1.5 million [\$4,673,000 CD] toward its annual fund drive. In a letter to Jack Killen, professional fundraisers for the symphony asked the

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<sup>41</sup> “Uh-One, Uh-Two, Uh-\$500,000: Let’s Hear it for Our Symphony,” *Indianapolis Star*, December 13, 1975, Box 65/18.

<sup>42</sup> “Payment Voucher,” 1976, Box 65/18.

<sup>43</sup> Jack Killen, Letter, by Richard R. Hoffert, January 3, 1977, Box 65/18.

Indianapolis Foundation to increase its contribution to \$25,000, which would leverage an additional \$50,000 from the Lilly Endowment.<sup>44</sup> In response, Jack Killen sent a letter notifying Richard Hoffert, the new development director for the ISO, that the Indianapolis Foundation had approved the \$25,000 [\$83,000 CD] grant, but cautioned him that “our board of trustees requested that I advise you not to expect the same level of support from The Foundation in the future.” He also revealed the continuing importance of proper recognition for the Indianapolis Foundation’s contributions, stating “Thank you for the plaque, however, we would like to have the name corrected to read The Indianapolis Foundation, if this can be done conveniently.”<sup>45</sup> Although the foundation’s contributions now comprised a miniscule amount of the symphony’s total funding, it was apparently deemed vital by symphony directors to acknowledge in an old-fashioned manner even a small foundation contribution.

Richard DeMars sent a thank you letter to Jack Killen a day before Killen’s letter arrived awarding the ISO the grant, which shows that DeMars was notified of the grant by Killen before the official conferral letter arrived. The correspondence between them also revealed the closeness of their relationship, beginning with “Dear Jack,” and closing with “Sincerely, Dick.” This web of tight personal relationships between those involved with the symphony and trustees of the Indianapolis Foundation had a long tradition but was not to last much longer. Jack Killen was about to retire and the cozy relationship between the foundation and the symphony did not transfer to the next executive director of the foundation, Kenneth I. Chapman, who took the helm on 1 January 1978.

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<sup>44</sup> Jack Killen, Letter, by Richard DeMars and Richard R. Hoffert William B. Weisell, March 8, 1977, Box 65/18.

<sup>45</sup> Robert Hoffert, Letter, by Jack Killen, March 30, 1977, Box 65/18.

Jack Killen had invested twenty years of his life as the foundation's head and his service there was viewed as exemplary. The *Indianapolis Star* wrote:

As executive director of the foundation, Jack Killen has been a quiet but strong figure familiar to just about every volunteer cultural, health and welfare organization in the community. His counsel has been sought and respected, and under his direction the foundation and its affiliate, the English Foundation, have accomplished much.<sup>46</sup>

The *Indianapolis News* echoed its approval:

[Ken Chapman] ...has a hard act to follow. Jack Killen is a lifetime resident and a lifetime friend of the city of Indianapolis. He has been director for the foundation for 20 years and his stewardship has shown an amazing concern for the careful distribution of donated funds – a concern that is rarely found even in the best of charitable organizations. His 1976 record was outstanding: the foundations expenses amounted to only \$41,000, or 4.6 percent of its operation. The foundation's annual report listed a whopping \$10 in miscellaneous expenses.... We wish both men well, and we envy them: Killen for such a fine record of public service, and his successor, for a chance to continue the tremendous work [of the foundation].<sup>47</sup>

These glowing comments from the Indianapolis press are in sharp contrast to the often deeply adversarial nature of relations between the local press and philanthropic organizations typical of other U.S. cities. Such public criticism came very slowly to Indianapolis, no doubt due to the arch-conservative nature of the *Indianapolis Star*, owned by the Pulliam family, and its notorious bias against all forms of government assistance. It consistently favored private philanthropy, no matter how ineffectual, and impeded public awareness of the real limits to elite largesse of the time.

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<sup>46</sup> "In the Public Interest," *Indianapolis Star*, October 4, 1977, Box 51/33.

<sup>47</sup> Editor, "Foundations for the City," *The Indianapolis News*, October 6, 1977, Box 51/33.

## **The Ken Chapman Era**

Ken Chapman was a long-time resident of Indianapolis and had worked for the Community Service Council of Metropolitan Indianapolis for more than twenty years, the last eleven as its executive director. He graduated from the University of Connecticut and held two master's degrees, one from Indiana University and the other from Harvard. He was quoted in the newspaper as saying "I look forward to using experience accumulated in 20 years of community planning toward continued development of the Indianapolis Foundation's role in the community [...]."<sup>48</sup>

Perhaps expecting the complacent relationship between the foundation and the ISO to continue, the symphony's director of development, Richard Hoffert, wished the outgoing Jack Killen luck in his future endeavors, noting that he was "looking forward with anticipation to working with the new Director, Kenneth Chapman."<sup>49</sup> But it seemed that Chapman was not familiar with the gift approval process that had gone on previous to his appointment. He was slow to respond to the case for funding that the ISO had previously pressed upon the foundation. In response to a new symphony request for funds in 1978, Chapman returned a rather curt letter to Hoffert stating, "our board of trustees has deferred your request for consideration until its first meeting after October 1, 1978 with the observation that the request should be more fully substantiated. The board felt that since we had just made the payment in December, 1977 in support of your 1977-78 budget, it could hold off on the 1978-79 request until fall when it had a better

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<sup>48</sup> Editor, "Foundations for the City."

<sup>49</sup> Letter by Hoffert.

understanding of the financial position of The Foundation.”<sup>50</sup> Why Chapman and the board made this decision is a mystery, as they had for the previous four years always approved the ISO’s grants in the spring and distributed them the following December. It could be that the foundation’s board composition had changed and the members did not remember, or that the financial state of the foundation was in limbo. More likely, the Indianapolis Foundation’s arts funding priorities had changed significantly, because it increased total its total funding of arts and cultural organizations from \$8,600 [\$42,000 CD] in 1970 to more than \$167,000 [\$484,000 CD] in 1978. The new arts organizations it was now funding at significant levels included ballet and opera companies, the Arts Council, and public television. Whatever the reason, the decision to defer funding surely caused a panic at the ISO office since they were in the final year of the Lilly Endowment’s “Two-for-One” match and a contribution from the foundation was crucial.

Hoffert quickly replied, attempting to justify the amount requested by explaining the funding approval process and distribution of funds in the past, and how these funds were used to serve the community:

The grant received from the Indianapolis Foundation is primarily used to help underwrite educational programs of the Symphony which include an In-School Program, Visions Concerts and the Lolli-Pop Series. Last year, the Vision Concerts, which are held at Clowes Hall for elementary school children, reached 17,000 students. The In-School program reached 45,000 students, and the nationally known Lolli-Pop Series for pre-schoolers reached 15,000 children. This means that 77,000 Indianapolis children were exposed to live symphony music. For the Board’s information, I am enclosing some letters received from students and faculty in response to our In-School Program.<sup>51</sup>

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<sup>50</sup> Richard R. Hoffert, Letter, by Kenneth I. Chapman, March 6, 1978, Box 65/18.65/18; Kenneth I. Chapman to Richard Hoffert, March 6, 1978, Box 65/18.

<sup>51</sup> Kenneth Chapman, Letter, by Richard R. Hoffert, March 22, 1978, Box 65/18.

Hoffert's explanations and the letters from students and teachers, usually so persuasive in the past, were no longer effective. The foundation requested much more specific information, such as the actual budget figures for these programs, and was demonstrating skepticism of this youth investment at the ISO, a skepticism perhaps heightened by its recently increased donation level to \$25,000 [\$83,000 CD]. Hoffert quickly produced a budget and informed Chapman that the costs for the student and municipal concerts were \$288,000 [\$835,000 CD]. He explained that although the symphony received \$11,000 [\$32,000 CD] from the schools and \$100,000 [\$290,000 CD] from other sources for these concerts, more than \$177,000 [\$513,000 CD] in costs remained. "It is for this reason," he said, "that we try to use the monies acquired from local foundations (i.e., Noyes, Jordan, Krannert, Lilly and Indianapolis) to offset the expenses of these programs which directly benefit the children and adults of Indianapolis."<sup>52</sup>

This last letter produced the desired result, as the Indianapolis Foundation approved a grant of \$26,000 [\$75,362 CD] that May for distribution in December. Hoffert thanked Chapman for the donation and sought to clarify the application process for the next year and to correct a misunderstanding of Chapman's, writing "I note on your letter that you refer to 'support for 1978/79.' In order to avoid confusion in the future, this gift was requested for and accounted for toward the 1978 Fund Drive. The 1979 Fund Drive will have its kick-off in November."<sup>53</sup>

In an effort to thank the Indianapolis Foundation, the ISO devoted a half page ad in their 1977-78 program stating in large letters, "The Indianapolis State Symphony

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<sup>52</sup> Letter by Hoffert.

<sup>53</sup> Letter by Hoffert.

Orchestra Gratefully Acknowledges the Indianapolis Foundation ...for contributing over \$200,000 since 1955.”<sup>54</sup> Unfortunately, whoever wrote the copy did not research the facts, and perhaps by that time the foundation trustees themselves had no comprehension of their long history with the ISO. The Indianapolis Foundation was one of the first foundations to fund the ISO in its infancy, and supported it from 1933 to 1944, during which time it donated \$38,600 [\$480,000 CD]. From 1945 to 1954 the city took over the major financing of the ISO and the Indianapolis Foundation bowed out for about ten years, then re-emerged in 1955 as a funder when city budgets were cut. Even the \$200,000 claim did not tell the whole story, because those figures were in historical dollars, not 1978 current dollars. If they had been converted to 1978 dollars the figure would have been much higher.

It does not appear that anyone caught this error, or if they had it was not mentioned in the Indianapolis Foundation records. This reflects the short-term memory of organizations that have revolving boards of directors and staff. At any rate, this omission did not seem to dim the foundation’s commitment, because in November of 1979 they sent a check to the symphony in the amount of \$25,000 [\$65,000 CD] “to support your music education and free public concert program during 1979.”<sup>55</sup> This was, nonetheless, still a very small part of the symphony’s overall operating expenses and fundraising capacity and only a fraction of the \$159,000 [\$457,000 CD] that the Indianapolis Foundation spent that year on arts and culture.

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<sup>54</sup> Indianapolis Symphony Orchestra, “Indianapolis Symphony Orchestra Program,” 1977-78, Box 65/18.

<sup>55</sup> Richard R. Hoffert, Letter, by Kenneth I. Chapman, November 26, 1979, Box 65/18.

## **Solicitation for Trusts through Grantees**

The question of why the Indianapolis Foundation continued very modest support for the symphony for so long may be related to the audience of donors to whom the foundation itself was hoping to appeal. It was no secret that many subscribers to the ISO were wealthy and this opportunity to attract them to the foundation itself could not be missed. In the ISO program's erroneous tribute about the amount of funding the Indianapolis Foundation had provided to the ISO over the years, a paragraph of solicitation was also included, reading:

The Indianapolis Foundation relies upon public support for its continued growth and development. Gifts and bequests in any amount are welcomed. All donations to The Foundation are invested, with charitable grants drawn from income only. Thus, a gift to the Indianapolis Foundation provides ongoing support for community betterment. For further information, contact Mr. Kenneth Chapman at The Indianapolis Foundation, 634-7497.<sup>56</sup>

1980 marked the 50<sup>th</sup> anniversary of the ISO, with preparations begun in 1979. After receiving the foundation's check for \$26,000 [\$75,000 CD] in December of 1978, Richard Hoffert wasted no time requesting another grant for \$30,000 [\$87,000 CD]. He used the same plea as the year before, citing the 76,000 children and 47,000 citizens who had attended the symphony's free concerts. Hoffert also emphasized that the ISO had been one of only three orchestras chosen nationwide "to be recorded for the National Public Radio's 'Great American Orchestras Series'." This was quite prestigious to locals, and was helpful in convincing people outside of Indiana of the reputation of Indianapolis as a city of class and culture. This was certainly in line with the Indianapolis Foundation's own mission to promote community civility. The 50<sup>th</sup> anniversary also

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<sup>56</sup> Orchestra, "Indianapolis Symphony Orchestra Program."



coincided with the end of the ISO's capital campaign inspired by the Lilly Endowment, which had raised \$3.3 million dollars and included \$1.65 million of another \$2.5 million matching grant from the Krannert Charitable Trust.<sup>57</sup>

Hoffert's fundraising savvy became evident in late 1980 when he invited the members of the Indianapolis Foundation board to attend one of the ISO's "Visions Concerts" for children so the trustees could witness first-hand the symphony's work in the community. He stated: "I thought it a good idea that the members of the Indianapolis Foundation attend this series of concerts to see how the grant from the Foundation is used toward the educational program of the Symphony. [...] By advising you early in the year, we hope you will be able to discuss this possibility at your next meeting, in time for your Members to fit the concerts into their schedules."<sup>58</sup> Whether the foundation's trustees attended or not is unknown, but a check for \$26,000 [\$60,000 CD] was approved a month before the children's' concerts, so perhaps the invitation itself was enough to be convincing.

The foundation's support for the symphony grew again. As usual, Hoffert requested another grant in February of 1980, this time for \$27,000 [\$62,000 CD]. The language was very similar to the previous two years, citing the free concerts for children and families, but this time proudly reporting that the endowment drive exceeded expectations and instead of \$5 million, they had raised \$6,000,275 [\$13.8 million CD]. "In addition," Hoffert stated, "the Orchestra was awarded an \$850,000 matching grant toward the Endowment Drive which, by the way, was the same amount granted to the Boston and New York Philharmonic Orchestras." Although he doesn't state the source of

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<sup>57</sup> Kenneth Chapman, Letter, by Richard R. Hoffert, January 22, 1979, Box 65/17.

<sup>58</sup> Letter by Hoffert.

the funds, the fact that the New York and Boston symphonies received the same amount points to a major private foundation. To add to its success, the ISO achieved its first full-season sellout of seats.<sup>59</sup> In March of 1980, Chapman wrote to inform Hoffert that the ISO had been granted \$25,000 [\$57,339 CD], which was applied toward a matching grant from the National Endowment of the Arts for that year.<sup>60</sup>

This was just the beginning of the foundation's newly expanding financial commitment to the ISO. In June, Chapman received a letter from the chairman and the president of the ISO, requesting funds to help the symphony's office move from Clowes Hall into new office space in the Holcomb Building at Butler University. They opened their letter explaining the situation:

The administrative offices for the Indianapolis Symphony orchestra have been located in Clowes Hall for the past seventeen years. During this period the Orchestra has grown into a \$4M a year business. We have now come to a point where the Board of Directors of the Symphony feel because of the limitations of the present office situation in Clowes Hall and the adverse conditions under which the staff is functioning that they should move into new offices which are more conducive to a professional organization.... This situation exists because Clowes Hall was never designed to house any great number of offices other than those deemed necessary to run Clowes Hall.<sup>61</sup>

This use of the word "professional" to describe the ISO shows that the symphony was one of many charitable Indianapolis organizations that had evolved from predominantly volunteer labor in the early years of the twentieth century to mostly paid professionals by the 1980s.

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<sup>59</sup> Kenneth Chapman, Letter, by Richard R. Hoffert, February 18, 1980, Box 65/17.

<sup>60</sup> Mary Reinhardt, Letter, by John A. Berg, July 15, 1981, Box 65/17.

<sup>61</sup> Kenneth Chapman, Letter, by Paul G. Pitz and Henry C. Ryder, July 15, 1980, Box 65/19.

Some of the problems with the cramped space at Clowes Hall included having to share offices with Clowes employees, offices placed in open lounge areas, lack of privacy for delicate discussions, offices in the film projection room, and probably worst of all – no air conditioning in the summer when the stage was rarely used. Butler provided them a makeshift office space below market value at \$2.00 [\$4.58 CD] per square foot on the top floor of the nearby Holcomb Research Center. Architectural plans designed by Richardson, Munson and Weir called for 4,500 square feet of remodeled space for symphony administrators. Most of the design work was donated, but funds for the construction costs had to be raised. Thus, the symphony asked “The Indianapolis Foundation to consider a one-time special grant to the Indianapolis Symphony Orchestra to help underwrite the costs of developing a new office space which we believe will present the kind of image to our donors and volunteers that reflects the quality of the organization. The amount requested is \$56,000 [\$128,000 CD].”<sup>62</sup> This was mostly for office furnishings, partitions and carpeting, because, as the symphony executives stated, in order to attract wealthy, elite donors, quality music was simply not enough. An image of appropriate standards was essential if the ISO was to increase its appeal to wealthy donors who held the financial keys to its future.

On June 24<sup>th</sup>, Ken Chapman called Paul Spitz, chairman of the ISO, to inform him that the foundation had indeed granted them \$50,000 [\$115,000 CD] for the move, bringing the symphony coffers to \$75,000 [\$172,000 CD] for 1980. However, the foundation’s funding of arts and culture organizations for 1980 jump more than 80 percent over the previous year, to almost \$293,000 [\$672,000 CD]. This impressive

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<sup>62</sup> Letter by Ryder.

increase in arts funding started in 1978, with the Indiana Repertory Theatre receiving more than \$200,000 [\$534,000 CD] from the Indianapolis Foundation in just three years.

In a later letter, Chapman commended Spitz on his leadership, and stated “I am looking forward to meeting with you and Dick Hoffert regarding the publicizing of this grant which, as you know, is important to the continuing development program of The Foundation.”<sup>63</sup> The ISO responded with a news release to the papers, which resulted in a story in the *Indianapolis News* with a picture of Kenneth Chapman looking over blueprints of the new office space.<sup>64</sup> This was the kind of positive press that the foundation had long coveted and strove to attract through its philanthropy.

The ISO once again inserted a half-page tribute to the foundation in its concert programs, stating erroneously again that the foundation had lent support since 1955 instead of 1933. The soft-sell appeal from the Indianapolis Foundation to potential wealthy donors for charitable trusts was included once again in the program. Evidently the promotion in the program was working to the foundation’s benefit, as Chapman thanked Hoffert for the program tribute and informed him that “It’s great and we really appreciate the publicity. A number of people have mentioned it to me already...I requested a few more for our Board. I know they will be pleased.”<sup>65</sup> The ISO’s newsletter, *Ovation*, which was circulated to 18,000 people, featured a story about the new offices and the Indianapolis Foundation’s role in financing the move, garnering another great public relations piece for the foundation.<sup>66</sup>

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<sup>63</sup> Paul Pitz, Letter, by Kenneth I. Chapman, July 1, 1980, Box 65/19.

<sup>64</sup> “ISO Drive Collects Record \$729,282,” *Indianapolis News*, July 31, 1980, Box 65/19.

<sup>65</sup> Letter by Hoffert.

<sup>66</sup> Indianapolis Symphony Orchestra, “Ovation,” Spring 1981, Box 65/17.

The ISO published an 88-page report for its 50<sup>th</sup> anniversary titled “Fifty Colorful Years, 1930/1980,” in which a brief history of the symphony was highlighted. However, nowhere in the history was the Indianapolis Foundation mentioned, although financial support from the Clowes Fund, Lilly Endowment and Ford Foundation did get acknowledged.<sup>67</sup> Such a glaring oversight of the Indianapolis Foundation’s importance to the birth and long-term support of the ISO testifies to a more general neglect of the local history of philanthropy in much of the mainstream local and national media. Such an omission also reflects how insignificant the Indianapolis Foundation’s contributions to the ISO had become in comparison to the support from these larger philanthropic entities.

Perhaps emboldened by the \$75,000 the ISO had received from the Indianapolis Foundation in 1980, Hoffert requested \$32,000 [\$66,500 CD] in 1981. He also revealed that the Lilly Endowment and the Krannert Charitable Trust had pledged another \$2.2 million [\$4.6 million CD] over the next three years, with Lilly offering a new dollar-for-dollar challenge grant of up to \$500,000.<sup>68</sup> Maybe Hoffert hoped that this match challenge would encourage the Indianapolis Foundation to increase its contribution again. He may also have been encouraged by Chapman’s letter sent a few days later acknowledging receipt of the proposal, stating that the foundation “greatly appreciated what you did in publicizing The Foundation in relationship to the capital grant for your new office space [....] The plaque is beautiful [...].”<sup>69</sup> However, no more extra donation came forth and the foundation remained stalwart, granting only \$25,000 [\$52,000 CD],

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<sup>67</sup> Orchestra, “Fifty Colorful Years 1930/1980: The Indianapolis Symphony Orchestra.”

<sup>68</sup> Kenneth Chapman, Letter, by Richard R. Hoffert, February, 1981, Box 65/17.

<sup>69</sup> Richard R. Hoffert, Letter, by Kenneth I. Chapman, February 19, 1981, Box 65/17.

stating “in view of the grant for the relocation of your offices, our Board did not feel it could go beyond the level of support it provided last year.”<sup>70</sup>

By November 1981, Richard Hoffert had left the position of development director and was replaced by Wendy Boyle. By this time, the annual 1982-83 fund drive for the ISO sought \$975,000 [\$1,908,023 CD], and the Indianapolis Foundation was approached for \$28,750. The funds were needed even more that year than in the others before, because the city reduced its musical support from \$100,000 to \$76,900 for the free concerts in the parks. The concept of the symphony as a “business” had been used a few times in previous proposals, but it became especially pronounced in Boyle’s appeal:

The Symphony is in business to perform and educate. And business is a key word here. ... The Orchestra’s financial stability is envied in these economically trying times. Despite major increases in ticket prices, product demand is up and our subscription renewal rate is among the highest in the country. The ISO’s efforts to maintain financial stability were recognized by the Mellon Foundation which awarded us a \$37,000 grant for financial achievements in the three year period beyond the Foundations original award.<sup>71</sup>

The foundation board was not convinced by the explicitly hard-nosed, all-business approach of the solicitation to increase its donation, approving the usual \$25,000 [\$49,000].<sup>72</sup> The genesis of this appeal by the symphony’s own new professionalized, business oriented managers shows again how vital repackaging arts organizations as financial enterprises came about through outside pressures from the businessmen and bankers who continued to control community and private foundations. This trend

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<sup>70</sup> Letter by Chapman.

<sup>71</sup> Kenneth Chapman, Letter, by Wendy Boyle, March 31, 1982, Box 65/17.

<sup>72</sup> Wendy Boyle, Letter, by Kenneth I. Chapman, July 1, 1982, Box 65/17.

expanded even more through an emerging entrepreneurial spirit among well-trained, competitive, middle-class “development professionals.”

### **The Move to the Hilbert Theatre – 1983**

Transient partnerships between various U.S. urban nonprofits now proved increasingly volatile and problematic, eliciting new challenges for survival and profitability. After a few short years in the ISO’s new offices, the relationship with Butler University and Clowes Hall took a surprising turn for the worse when Butler increased the rent for the newly remodeled office space by 300 percent. The ISO board looked for alternatives and found one at the Circle Theatre in downtown Indianapolis. Rehearsal time had become more difficult to schedule around the other events being held at Clowes, preventing the ISO from expanding the number of programs offered. The symphony society felt that a new downtown location would give them a “real home” while increasing the quality of performances and expanding the season. This move mirrored other urban renewal schemes in other major cities at the time that attempted to save floundering downtown districts that suffered from the flight to the suburbs by wealthy and middle-class citizens, as well as the businesses they owned.

The Cleveland Foundation, which was the first community foundation in the country, purchased real estate in Cleveland’s crumbling downtown and moved its offices there. It also invested heavily in the arts in an attempt to lure residents back, and to increase tourism.<sup>73</sup> This new approach to resuscitate urban centers from near death catalyzed the ISO’s plans to move its operations to the literal center of Indianapolis, Monument Circle.

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<sup>73</sup> Doll, “Cleveland: Arts Renaissance.”

The symphony conductor, John Nelson, signed on for another three-year contract, and a new contract was negotiated with the musicians union. The annual fund drive would be increased 13.5 percent over the previous year's goal of \$975,000, putting it at \$1,106,625 [\$2,100,000 CD], so Wendy Boyle asked for a 13.5 percent increase in the foundation's contribution, to \$28,500.<sup>74</sup> The foundation still held fast to its \$25,000 [\$47,000 CD] donation "in support of its 1983 series of youth education and municipal concerts programs."<sup>75</sup> This persistent stagnation in foundation support is a clear indication that such allegedly "community" foundations played an ever-diminishing role in the revitalization of civic and arts organizations during the economic expansion of the 1980s. As the Indianapolis Foundation's financial records show, except for two large grants totaling \$160,000 [\$286,000 CD] for the Indianapolis Zoo during 1984 and 1985, the foundation's support of the arts decreased from a high of \$293,000 in 1980 to around \$140,000 to \$150,000 from 1982 through 1986.

Moving forward on their plans to relocate into the downtown Circle Theatre, the ISO engaged the services of the professional fundraising firm C.W. Shaver & Company of New York to conduct a feasibility study. The main objective was to find out if there was enough interest and money not only to support its move to, and renovations of, the Circle Theatre, but also to expand the endowment to help ensure its long-term financial stability. The staff of Shaver & Company interviewed several prominent people in Indianapolis, including Ken Chapman of the Indianapolis Foundation.<sup>76</sup> The confidential

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<sup>74</sup> Kenneth Chapman, Letter, by Wendy Boyle, March 23, 1983, Box 65/15.

<sup>75</sup> Wendy Boyle, Letter, by Kenneth I. Chapman, July 5, 1983, Box 65/15.

<sup>76</sup> Kenneth Chapman, Letter, by Thomas W. Moses, May 23, 1983, Box 65/15.



report was presented on 11 July 1983 and revealed much about the state of the orchestra and its local patrons.

According to the report, the ISO was interested in raising \$13 million [\$25 million CD] in new endowment funds by 1988, as well as an additional \$9.4 million [\$17.9 million CD] for its move the Circle Theatre. The company conducted more than forty interviews using questions about the ISO and its move to the theatre. Three years of financial history were analyzed and projections for five years out were estimated. The report stated that for a city the size of Indianapolis, the ISO's annual expenses were very high, exceeding those of other symphonies in major cities such as Denver, Buffalo, Portland and Seattle. It revealed that although Indianapolis ranked 34<sup>th</sup> among metropolitan areas in terms of its population, its per-capita expenses for its orchestra ranked 19<sup>th</sup>.<sup>77</sup> A few cities such as Syracuse, Rochester and Cincinnati were paying much more, but were heavily subsidized either by government or endowment funds, as shown in the Table 4.

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<sup>77</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company* (Indianapolis: C. W. Shaver & Company, 1983), Box 65/15.

<b>City</b>	<b>Per Capita Expense 1982 Dollars</b>	<b>Per Capita Expense Constant Dollars (CD)</b>
*Syracuse	\$5.50	\$10.76
*Rochester	5.36	10.49
**Cincinnati	4.67	9.14
Indianapolis	3.86	7.55
Denver	3.52	6.90
Buffalo	3.23	6.32
Milwaukee	3.16	6.18
San Antonio	3.11	6.08
New Orleans	3.01	5.89
Portland	2.50	4.89
Seattle	2.41	4.71

Table 4: Comparison of 1982 symphony per capita expenditures among several U.S. cities

\* Both Syracuse and Rochester received very large subsidies from the New York State Arts Council

\*\* 41% of Cincinnati's income was from an endowment, twice the percentage of any other orchestra.

Source: Confidential Report to the Board of Directors of the Indiana State Symphony Society, Inc. of a Study Conducted by C.W. Shaver & Company, July 11, 1983.

The report emphasized the financial importance of having a long tradition of audience attendance to a symphony, noting that half the symphonies in existence when the ISO was created in 1930 had been established long before, such as the New York Philharmonic in 1840 and the Boston Symphony in 1880. Because of this historical lack of a deep support and roots, the report asserted that Indianapolis needed to build a larger attendance base. However, it stated it saw no reason why the ISO couldn't improve attendance, because it was "an unusually progressive city" and regional assets like the Jordan School of Music at Butler University and the Indiana University School of Music at nearby Bloomington could be relied upon to generate appreciative future audiences.<sup>78</sup> The report did not define how C. W. Shaver & Company determined that Indianapolis was an unusually progressive city, which could easily suggest a simple case of consultants embellishing the city's attributes and potential in order to secure additional business. This report substantiates the culpability of the wealthy elite and major foundations in fueling the financial precariousness of the ISO. The fact that the per-capita expenditures of the ISO were so high at a time when the symphony was declining in attendance strongly indicates that a small cadre of wealthy patrons contributed large sums of money to grow an organization whose general Indianapolis citizenry neither had the means nor the interest to support it.

An assessment of the ISO's financial history and health has important consequences for conceptualizing this history of the Indianapolis Foundation and its effects, both good and bad, on the local arts community. Since the early 1970s, several of the symphony seasons ended with large deficits, four of which were \$500,000 [\$949,000

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<sup>78</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.

CD] or more. Over a period of ten years, the symphony's annual operating expenditures increased 252 percent, while performance income rose only 128 percent and earned income rose only 105 percent, indicating the inevitability of large yearly deficits. During this same ten-year period, the audience for full orchestra performances had increased very little, but the number of orchestra players had increased more than 10 percent. By 1983, the number of weeks played had increased more than 20 percent, and musicians' salaries had increased by almost 200 percent, to very comfortable income levels. This indicates that the chief beneficiaries of U.S. arts philanthropies have been the newly professionalized musicians who had risen to become members of the comfortable new American middle-classes, while the arts organizations themselves struggled to survive.<sup>79</sup>

Although those involved consistently claimed that the ISO was one of the top ten, and often the top five, orchestras in the country, in reality it ranked far lower. As the Shaver report pointed out, the top ten U.S. orchestras had annual budgets at least double that of Indianapolis, which ranked 19th out of 29 in annual expenditures. Unfortunately, it ranked only 29<sup>th</sup> out of 30 in terms of ticket sales, selling only about 66 percent of its seating capacity. In addition, its artistic personnel accounted for 67 percent of its expenditures, which was the second highest in the nation, and performance income covered only 38 percent of those artistic expenses – the lowest percentage in the United States. The report predicted that by 1986 the salary of Indianapolis musicians would rank

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<sup>79</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.

at least 12<sup>th</sup> in the nation, higher than Dallas, Houston and St. Louis, far larger cities with far more prestigious orchestras.<sup>80</sup>

The move from the 2,106-seat Clowes Hall to the 1,898-seat Circle Theatre not only caused expenses in terms of renovation and moving, it also resulted in a net loss of seating revenues by nearly 10 percent. If the ISO had plans to expand its audience, this was hardly a prudent business strategy. Circle Theatre was the second smallest hall used by any symphony in the nation, leaving only Atlanta with fewer seats at 1,762. For most American symphonies that were leaders in ticket sales, the hall sizes ranged from 2,700 to over 3,000. This move limited the ISO's potential tickets sales while increasing its expenditures significantly.<sup>81</sup> This is the kind of financial predicament old-guard arts patrons seemed little inclined to notice, protest or fix.

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<sup>80</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company.*

<sup>81</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company.*

## **Income from Endowments and Foundations**

From the standpoint of foundation and endowment funding, the ISO was doing quite well in 1983. The ISO ranked second highest in the nation in terms of percentage of annual income from endowments and investments at 26 percent, outranked only by Cincinnati at 41 percent. Part of the ISO endowment was the Ford Foundation challenge grant from 1966-1971, which matched dollar-for-dollar, and garnered a total of \$4,350,000 [\$20,327,000 CD]. The ISO then instituted a program from 1977-1979 titled "Plan for Permanence," which raised most of the remainder of the endowment. In 1983, the ISO permanent endowment stood at about \$11,000,000 [\$51,402,000 CD], still small in comparison to the greatest of U.S. symphonies in Chicago, Philadelphia, Boston and New York.<sup>82</sup> Although the annual fund drive amounts were increasing each year, inflation was causing expenses to grow more rapidly and the percentage of the costs covered by the annual fund now decreased every year.

By 1983 the Indianapolis Foundation had become a very minor player in the financial support of the symphony and was not even mentioned among the ISO's main funders. However, local private foundation funding, which was mainly corporately fueled, was abundant and crucial, as the Shaver report makes clear:

Of inestimable value to the Orchestra's annual operations have been the grants of the Lilly Endowment, Inc., and the Krannert Charitable Trust, which together over the past three seasons ending in 1983 have totaled a little more than [\$2,640,000]. These two benefactors, which have been to a great extent responsible for the progress made by the Orchestra, have indicated they will give a total of \$840,000 in 1983-84, but then will review possible grants for future years.<sup>83</sup>

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<sup>82</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company.*

<sup>83</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company.*

The report applauded the ISO's success in generating contributions from individuals, but found it lacking in the ability to obtain similar contributions from corporations and philanthropic organizations. It deemed the symphony's fundraising and administrative staffs to be small in comparison to other orchestras and the size not increasing at the rate of their more costly artistic staff. To add to the dire assessment, the ISO was expecting a large drop in municipal funding and larger than usual increases in its yearly budget.

In the interviews with stakeholders and donors, the highly-paid Shaver consultants discovered that most thought the ISO should have a goal of raising 10 percent more each year for the annual fund and aim for an increased endowment of more than \$13 million [\$25 million CD]. This would be in addition to the \$1 million [\$1.9 million CD] needed immediately for renovations to the Circle Theatre. One revealing passage in the study illuminates the perceived value of the ISO to its patrons:

The Indianapolis Symphony Orchestra, by all evidence gained in the study, is highly regarded – for its artistic proficiency and as one of the leading cultural organizations of its city and state. Its economic and educational impacts appear to be widely recognized. *Almost nobody ventured the thought that it might be dispensable. Some feel the lives it touches are too few [emphasis added].*<sup>84</sup>

It must be kept in mind that the consultants were not interviewing the general populace, but the wealthy elites who possessed the means to sustain the ISO. Many of these were old-guard donors who had already invested heavily in the symphony's growth and survival. Perhaps they, like their early 20<sup>th</sup>-century predecessors, still believed that the

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<sup>84</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.

civilizing music of the symphony should be an essential part of the arts diet of the citizens of Indianapolis.

Part of moving to the new Circle Theatre might have been to address the concern that ISO's reach was limited, as the new location "would offer more community-wide visibility, [...] [and] the smaller hall will provide a closer orchestra-audience relationship."<sup>85</sup> However, it must be remembered that downtown Indianapolis in the mid 1980s had serious parking and security issues that were raised by many interviewees. A major concern was that the "many members of the Orchestra's largely Northside audience will not want to make trips downtown," especially with the added problems of security and parking.<sup>86</sup>

In terms of the Shaver Company's assessment of the board, many of the classic problems associated with volunteer board members could also be found at the ISO. Some business people interviewed who were not part of the ISO board felt that the ISO's relationships with businesses were poor and that more businessmen should be added as board members. Even some of the current board members interviewed saw much room for improvement:

Some members of the Board were especially critical of their organization in the study interviews. They said that a relatively few Board leaders make all the important decisions. The Executive Committee and the Finance Committee, they said, actually hold all of the power and, as a consequence, some Board members have elected not to be active at all. In general, some of the persons interviewed believe, the Board ought to be much more effective in concert going, fund raising, active advocacy for the Orchestra, in

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<sup>85</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.

<sup>86</sup> C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.



long-range planning, and in prompt and decisive attention to the organization's most important problems and challenges.

It is felt by some that the Board is going to have to be greatly strengthened for the major tasks ahead, and that to solve some of its biggest problems it is going to have to ask for help where it can find it rather than trying to work in its own vacuum.<sup>87</sup>

One sees here, perhaps all too clearly, a remnant of the historic situation where very small numbers of social elite businessmen and bankers sought to raise up and exclusively control a prestigious arts organization for their own benefit, as well as pursuing a self-appointed civilizing mission to improve the lower orders of the citizenry. Institutional cultures like this die slowly and still persist in many present day major arts organizations. The ISO to this day may bear the marks, for good or ill, of its long co-evolution with the Indianapolis Foundation and its elite directors.

In terms of the performance of the staff, the report felt that they were earnest but overworked and that "generally, among persons close to the organization, it was felt that the staff has been too small in numbers and, in the case of some individuals, too lacking in professional experience, for too many years and that it will have to be strengthened markedly in the near future."<sup>88</sup> Almost three decades later in the nonprofit world of 2011, this problem of overworked staff with limited access to professional development still persists. As the administration of nonprofits becomes more complex, this is a serious human resources problem that is still largely ignored by the nonprofit community.

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<sup>87</sup>C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.

<sup>88</sup>C. W. Shaver & Company, *Confidential Report to the Board of Directors of the Indianapolis State Symphony Society, Inc of a Study Conducted by C. W. Shaver & Company*.

Scant attention was paid to local foundations in the Shaver report regarding the future funding of a major capital campaign and an increased symphony endowment. The importance of building and maintaining relationships with local foundations was also not part of the ISO's eventual fundraising strategy. Considering the past importance of foundation funds to the survival of the ISO, this would appear, at first, to be an egregious error. But here, I believe outside professional consultants clearly appreciated and acted upon an emerging reality that local foundations, managed and operated in conservative, largely stagnant fashion, were simply no longer the force they once were in local arts patronage. Times changed, and the Shaver consultancy's report documents the end of an antique regime of local, elite run, foundation funding in Indianapolis.

The ISO proceeded to raise more than \$14 million [\$25 million CD] by March of 1984. It had secured committed matching grants from the Krannert Charitable Trust for \$4 million, which was, at the time, the second largest challenge grant ever made to a symphony, exceeded only by an \$11.2 million grant to the Pittsburgh Symphony by W.C. Heinz III of ketchup fame. With this grant, the Krannert Charitable Trust had contributed more than \$11 million to ISO, and stated "we feel that the Orchestra has an excellent record of public service and a capacity to bring even greater benefits to its audiences of the future." The Krannert Foundation also donated \$3 million and the Lilly Endowment \$2 million to help fund the \$6.9 million needed to purchase and renovate the Circle Theatre.<sup>89</sup>

The Eli Lilly & Company Foundation, not to be confused with the Lilly Endowment, Inc., committed to a \$1 million challenge grant, matching 1 dollar for every 2 committed by businesses or other foundations. This was meant to encourage

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<sup>89</sup> Indianapolis Symphony Orchestra, "Press release," 1984, Box 64/14.

corporations to give, prompting a \$250,000 pledge by Indianapolis Newspapers, Inc. This big announcement was made during a luncheon at the Columbia Club, the guest list of which included Governor Robert Orr of Indiana and Mayor William Hudnut of Indianapolis. The ISO president, Dr. Curtis Clark, declared that the symphony's endowment had to be increased from \$11 million to \$25 million in five years if it was to achieve "financial soundness." This claim was, yet again, another optimistic proclamation that a new round of fundraising could, once and for all, lead to the symphony's financial stability. We can now judge these declarations as nothing more than fantasies that stoked the hopes of donors, becoming part of the symphony's fundraising rhetoric and ongoing self-promotion.

By May of 1984, the ISO had a new executive director, Robert Jones, who solicited a \$25,000 [\$45,454 CD] grant from Kenneth Chapman, emphasizing how the Indianapolis Foundation had contributed to the community, stating that Chapman had "made it possible for thousands to hear the world's finest music, many of whom would otherwise have been unable to do so. We hope you will continue to support the youth and community concerts which are so widely enjoyed [...] for the 1983-84 season."<sup>90</sup> The next day, Jones sent another request to the foundation, this time for an additional \$50,000 [\$90,909 CD] to assist with start up and operating expenses for the new offices on East Washington Street, located directly behind the Circle Theatre. He emphasized the value of the ISO offices to the community because "the Orchestra will be making a significant contribution to the multi-faceted renaissance of downtown Indianapolis, which will be among the most dramatic concerted efforts of any American city in the 1980's. Even more important will be the cultural vibrancy provided to the region." He also offered to

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<sup>90</sup> Kenneth Chapman, Letter, by Robert C. Jones, May 21, 1985, Box 65/15.

take the trustees of the foundation on a tour of the Circle Theatre and the office space so that they could see what their money was being used to accomplish.<sup>91</sup>

In the symphony's annual report for 1983-1984, several foundation contributions were recorded as income, including the City of Indianapolis, the Board of School Commissioners, the National Endowment for the Arts, the Indiana Arts Commission, the Krannert Fund, Eli Lilly & Company Foundation and the Lilly Endowment, Inc. But the Indianapolis Foundation was not listed and the only mention of it was as a patron in the \$1,000 or more category.<sup>92</sup> This could be one of the reasons why Chapman responded a few weeks later with a cryptic letter that informed Robert Jones of the approval of the \$25,000 [\$44,000 CD] grant. He then wrote to Jones that his "request for \$50,000 toward start-up costs in the Circle Theatre and current operating expenses was declined for the reasons I explained to you on the phone. [...] Greg and I greatly appreciated the tour. The finished product will be most impressive."<sup>93</sup> Jones responded with an equally cryptic letter a few days later when he thanked Chapman for the \$25,000:

This will allow us to continue our commitment to community outreach and education. We are particularly pleased to be able to bring Indianapolis youth downtown for their concerts next season as we feel that it will help to develop a pattern of attendance that will assure the vitality of downtown and its cultural opportunities for future generations.

Naturally, we are disappointed that our request for support for start-up costs at the Circle Theatre and first year operating expenses were declined. We hope that your Board of Trustees understands the reason for our move to the Circle Theatre. It was simply a matter of not being able to get enough dates at Clowes Hall in order to carry on the activities of the orchestra at even the

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<sup>91</sup> Letter by Jones.

<sup>92</sup> Indianapolis Symphony Orchestra, *Annual Report of the Indianapolis Symphony Orchestra* (Indianapolis: Indianapolis Symphony Orchestra, 1983-1984), Box 65/15.

<sup>93</sup> Letter by Chapman.

current level, let alone expansion, and because of the sky-rocketing costs there. These are the real two issues. I know that there has been some unfortunate rhetoric with regard to other issues, none of which would have precipitated the move but for the two I have mentioned.<sup>94</sup>

Whatever these other issues were, they also negatively affected the Indianapolis Foundation's response to a request in August for \$2,500 [\$4,500 CD] to promote the opening of the ISO's new home at the Circle Theatre. Kenneth Chapman stated "as I suggested to you, there are two or three significant reasons why this decision developed."<sup>95</sup> A few months before, Kenneth Chapman had informed Robert Jones that "in all of the prior publicity about the new facility, apparently your important but simple rationale for the move did not come across to all of our Trustees. If it had, then the response to your request may have been different. Some of them feel the problems could have been resolved."<sup>96</sup>

What these problems were is unclear, but they could be related to the rocky relationship between the ISO and the Symphonic Choir. The Indianapolis Foundation had been funding the Symphonic Choir separately since 1966 at very low levels of \$200 to \$500, probably because it was a pet project of one of the trustees, given the passage below. By September, the symphony decided to accept the Shaver study and recommendations and contracted them to handle its capital campaign.<sup>97</sup> Robert Jones asked for a list of the Indianapolis Foundation's Trustees to solicit for the campaign and received a warning and stern criticism from Chapman:

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<sup>94</sup> Kenneth Chapman, Letter, by Robert C. Jones, May 25, 1984, Box 65/15.

<sup>95</sup> Robert C. Jones, Letter, by Kenneth I. Chapman, October 9, 1984, Box 65/12.

<sup>96</sup> Letter by Chapman.

<sup>97</sup> Letter by Boyle.

I would caution you about approaching some of our members. Check carefully with your leadership before you make a move.

There is one other point for you to consider. The Indianapolis Symphonic Choir approached us for assistance with a cash flow problem. It has also come to us in the past. Our evaluation of its situation leaves us with the impression that the Choir's financial problems have developed as a result of the requirements by Maestro Nelson for quality performances. This in turn has put the Choir in the position of increasing the time of its professional director(s). The Orchestra's rate of remuneration to the Choir should also be renegotiated.

The leadership of the choir knows nothing about my bringing these points to your attention so don't say anything to them.<sup>98</sup>

This is a prime example of a funder attempting to meddle in the business affairs of a nonprofit organization he knew little about. Instead of serving as a patron, the foundation was now wielding its power as a philanthropic institution to force policy and fiscal decisions on the ISO.

In 1985, Robert Jones requested \$30,000 [\$55,000 CD] to support educational programs for students because the Indianapolis Board of School Commissioners reduced its support from \$35,000 [\$170,000 CD] in 1970 to \$11,000 [\$19,000 CD] in 1985. The foundation granted the request, but for some unexplained reason did not give the symphony any money in 1986.

The alleged "community contribution" by the ISO as a result of its move to the Circle Theatre was promoted in a November 1984 *New York Times* article about the opening of the symphony's new home. The article noted the trend of orchestras around the country to use old, but ill-suited, movie and vaudeville theatres as concert venues instead of building new buildings. It reported that "city fathers are happy: the renovations

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<sup>98</sup> Letter by Chapman.

often take place in downtown areas that need rehabilitation. Local economies are helped: new businesses, especially restaurants, are opened and consequent increases in tax revenue help once blighted areas to thrive.” The symphony’s Robert Jones claimed that “we are already helping the area revitalize. Already 18 new restaurants in the area have opened. The ladies who come to the Coffee Concerts would not normally have come into this area a few years ago. Now they are thronging here.”<sup>99</sup>

All of this history returns us to an ancillary question of my research, “How did funding of the Indianapolis Symphony Orchestra become defined as filling a community need?” A brochure for the symphony’s annual fund drive in 1985 provides an answer:

A fine orchestra is a prime resource for any community. It perpetuates musical masterpieces, it introduces little known works; it entertains, it educates and it provides a new dimension to the lives of its listeners. It is for people of all ages, backgrounds and ways of life.

In the United States, there are no great cities without great orchestras. Their economic impact (about 15 million annual in Indianapolis, where the Orchestra’s payroll and expenditures are among the city’s largest) makes them very important.<sup>100</sup>

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<sup>99</sup> Harold C. Shonberg, “Indianapolis Symphony Settles into New Home,” *New York Times*, November 10, 1984, Box 65/15.

<sup>100</sup> The Indianapolis Symphony Orchestra, “A Mandate for Music,” 1984. Brochure for the Annual Fund for the Indianapolis Symphony Orchestra, Box 65/15.

## Summary

The Indianapolis Symphony Orchestra is still located, as of this writing, at the Circle Theatre, currently named the Hilbert Circle Theatre after the infamous couple, Stephen and Tomisue Hilbert. Stephen Hilbert became a household name as the founder of Conesco who drove the company into the ground and used corporate money to fund his philanthropic ventures. When I asked the ISO why his name had not been removed from the building, I was told that there is a ninety-nine year contractual agreement that prohibits its removal. Some ambitious ISO development executive obviously wrote a flawed donor's agreement, resulting in the association for the next century of the symphony's name and reputation with one of the most scandalous business implosions in Indianapolis history.

According to the Indianapolis Foundation's annual financial reports, it continued to fund the ISO at least through 1998. The amount of funding from 1933 to 1998 in 2004 constant dollars was almost \$2.5 million. In addition, the ISO not only was funded more during that time period than any other arts organization, they received more money than all of the other musical organizations combined.

This brings us to my original research question: "Why and how did the trustees of the Indianapolis Foundation justify the funding of the arts as a community need when arts and culture were not part of its original mission and charter?" I have provided several answers to that question, starting with the fact that the ISO was seen as a status symbol by the Indianapolis elites who founded it. Being able to claim a symphony as part of the culture of Indianapolis was very prestigious and being a member of the Indiana State Symphony Society was very important to the "Blue Book" citizenry of Indianapolis.



These wealthy elite included not just the members of the ISO, but also several trustees of the Indianapolis Foundation. Using the argument that music is necessary during times of economic strife, such as the Great Depression, was the way in which the elites justified the ISO as a community need. Yet their real motive was that the wealthy wanted a symphony for their private pleasure and to improve their social-cultural status.

Part of why they stepped outside the foundation's mission lies in the fact that they really did not know what they were doing. The surveys they suggested or conducted, or the expert advice they relied upon, were often incorrect at best and suspect at worst. They did little investigating themselves and were not proactive in searching out problems within the community and instead waited for the problems to be brought to their attention. They preferred to engage in philanthropy, not charity, with the rewards of being well recognized for their efforts. So choosing the "right" recipient was key, and the Indianapolis Symphony Orchestra was absolutely the right recipient for a myriad of reasons.

First, the ISO was started by the Chamber of Commerce and so had the support of the wealthy power brokers of the day who would have been contemporaries of the Indianapolis Foundation trustees. From the beginning, prominent chamber members understood the immense business importance of being able to tout the glorious fact that Indianapolis had its own symphony. Potential manufacturers and business owners wanted access to elite entertainment for themselves and their wives, and Indianapolis was competing with cities like Buffalo, New York, that also boasted a symphony. So, from the beginning, the main way that the foundation and others justified the symphony as a

community need was its importance in attracting corporate elites and their business enterprises.

There were also other, more personally motivated reasons that the trustees decided to fund the ISO while many in the community struggled to secure the bare essentials. Supporting the ISO was an acceptable artistic activity of the elite men and their wives, and belonging to the Symphony Society signified an elevated station in life. As we have discovered, the battle among the women members of the Symphony Society Auxiliary was ruthless, revealing how important it was for them to ascend to the highest rank of power possible and increase their status among other elite female friends and associates. Second, there were many social and professional connections between the officers of the Symphony Society and those of the Indianapolis Foundation. Today those associations would constitute a clear conflict of interest, but at the time there was no formal nonprofit sector and very few laws or rules that governed charitable organizations. Third, one of the trustees, J. K. Lilly, was a staunch supporter of the symphony, even lending it substantial money until he convinced the rest of foundation trustees to make good on his loan so that his money was reimbursed. In addition, his head of research at Eli Lilly & Company, Dr. Clowes, was also the president of the Symphony Society.

But how did the Indianapolis Foundation justify funding the ISO at the height of depression when tens of thousands were out of work and their families went hungry? While in private the trustees were shrewdly scheming to fund this pet project of the wealthy, in public they were extolling the fact that even musicians had to eat, and that keeping them employed was necessary because many taught music in the public and private schools. They also claimed that public concerts would lift the spirits of all the

citizens, which was especially needed during the Great Depression. Again, the elite were addressing Maslow's higher needs, while the vast community struggled to realize the lower needs of food, shelter, and clothing. But the hidden agenda of this seemingly compassionate gift was to form a kind of U.S. commercial, "noblesse oblige" to acculturate the lower-class orders of Indianapolis citizens.

After the depression it was necessary to change the public justification for continued foundation funding of this cultural asset that was actually only accessible to the well-to-do few. Thus, the foundation decided that it would fund programs that would be performed in the public schools, thereby serving an educational need. This also allowed for the "civilizing" of children of the lower urban social ranks to the elite cultural norms. Who could argue with educating school children about the wonders of classical music? And how could the press report on this in other than a positive way? No doubt, funding this kind of program graced the foundation's elite operators with more coveted accolades.

The Indianapolis Foundation funding was discontinued only when the city took over funding of the ISO from 1945 to 1954. When the city could no longer support the ISO in 1955, the Indianapolis Foundation stepped up again. By this time the ISO was firmly entrenched in the culture of Indianapolis and had gained a national reputation. Letting it languish would not have been a good public relations move for the foundation, so funding was resumed. Eventually, Dr. Clowes invested in the construction of Clowes Hall on the Butler University campus for the main purpose of housing his beloved symphony, and the ISO became a revered Indianapolis institution, making public justification of the symphony as a community need no longer necessary.

The foundation's funding of the ISO's move to the Circle Theatre in the 1980s was surprising, given the size of the grants to which they agreed. Yet looking through the lens of the wealthy trustees, it was a way to bring vitality back to the blighted downtown of Indianapolis. No doubt they were following the lead of the Cleveland Foundation which invested in a revival of the arts district in their own decayed downtown. Anyone who has been to Cleveland or Indianapolis recently can attest to the wisdom of those decisions. Arts organizations like the Indianapolis Symphony Orchestra helped spark the fire of revival for both cities that continues to this day.

## **Chapter 8: The Significance of these Historical Findings**

In this dissertation I have attempted to dispel many of the myths that have been written about the creation of community foundations and the men who gave birth to them. These men were first and foremost wealthy, white, elite businessmen, whose first priority was making money. None of them had experienced first-hand the squalor that existed in their community and they only saw the signs of the multitude of social needs from afar. Although many sat on the boards of state and local charity organizations, they had little idea what were the pressing community needs, what needs were priorities, or what charitable organizations deserved assistance.

Early trust companies were vehemently opposed by lawyers, especially those who were directly involved in serving as trustees for estates. The legal profession successfully delayed the approval of the establishment of trust companies for several years, and continued to criticize them for many years afterward. This conflict was ameliorated when trust companies began to partner with, or hire, lawyers to draw up trust documents and handle legal issues connected with the administration of trusts. The state laws that eventually governed trust companies made it clear that only institutions that were chartered as trust companies could engage in trust business. This gave trust companies a virtual monopoly on trust business which, along with lenient state requirements, brought on the ire of bankers. This dissatisfaction from their peers in the financial industries no doubt forced legislatures to change the laws that led to the establishment of community trusts.

These laws made it imperative that the trust companies make money to ensure their solvency, and that appropriate fees were charged for each and every service that was performed for a trust. The worry over the issue of “Dead Hand” trusts had little to do with

what was in the best interest of the community and everything to do with the profitability of the trust companies. Establishing a community foundation that the trust companies could control through surrogate representatives on the board of trustees of the Indianapolis Foundation allowed them the best of many worlds. First, trusts could be established so that the beneficiary never became obsolete, allowing the trust companies to avoid the unprofitable litigation caused by invoking *cy pres*. Second, trust companies were now able to charge administration fees for perpetuity on these trusts, which was not possible on the older “Dead Hand” trusts. Third, it satisfied the government and its regulators that these fees were helping to keep the trust companies solvent. And fourth, trust companies were freed from the expense of time and money in locating the beneficiaries, carrying out the decree from the donor, or deciding whom the recipient should be. In other words, they could concentrate on making money while others worked for them for free to give the residuals of the trusts away. All this, plus there was no financial donation required on their part, yet their association with the community foundation made the trust company executives appear magnanimous. Best of all for them, they could control the community foundation by appointing hand-picked foundation trustees. This control of community foundations by self-dealing trust companies is cited by at least one former community foundation executive as one of the great problems that limited the ability of many community foundations to become true community assets.

The historical hot points are the years of 1913 and 1915. Beginning in 1913, the Ohio State Legislature amended the banking laws so that any bank could handle trusts, thereby breaking the monopoly that trust companies had on the trust business. It is not a coincidence that in 1914 the Cleveland Trust Company created the Cleveland

Foundation. It is also not a coincidence that it did not allow any other bank or trust company to join in this philanthropic venture that was presumably created for the benefit of the community. The Indiana State Legislature changed its trust laws in 1915, and the Indianapolis Foundation was formed in 1916 by the three largest trust companies in the city to the exclusion of all others. What these two foundations supplied to the trust companies included positive public relations, a marketing tool for future trust clients, a benevolent reputation for both the trust companies and their executives, and a competitive edge over all the other banks and trust companies. As the asset charts indicate, the trust companies that were connected to a community foundation did far better in terms of growth of assets than those who were not so attached. It was primarily about business and profit, and secondarily about philanthropy.

The Indianapolis Foundation trustees who were hand-picked by the three trust companies were mostly the trio's surrogate representatives. They, like the foundation's creators, were all members of the Indianapolis "Blue Book" society. The fact that the trust company presidents and the vast majority of the trustees gave no money to the foundation during or after their lives puts in serious question their support its mission. This is especially true for those who were philanthropic in other areas of their lives, yet ignored the financial needs of the community foundation that they helped shape and controlled. The foundation was simply a business vehicle and another philanthropic stripe to wear on their well-tailored shoulders.

The funds that the trustees did grant were for "safe" projects that would be supported by the high society of Indianapolis. This "safety" factor was viewed and judged through a decidedly elite lens. The trustees made sure any potential gift passed the

public relations litmus test before dispensation. The three creators of the Indianapolis Foundation -- Evans Woollen, John Holliday and J. P. Frenzel -- all either worked in or owned newspaper businesses at one time, and all understood the power of the press and its impact on public opinion. The fact that the importance of positive public feedback was mentioned several times in the board minutes proves that good public relations, and not the public good, was of primary importance. This could explain why many programs with great need, such as education and jobs for “colored” people, and decent facilities for the mentally handicapped were not funded, or worse yet, such funding was discontinued because of poor press coverage.

For all their wealth, or perhaps because of their wealth, the early foundation trustees were not a socially enlightened group of men. Although most were involved with, or financially supported, charitable organizations, none of them were knowledgeable about the most urgent problems of the community, let alone how to solve them. Nonetheless, they understood money, power and politics and they used them as needed in the execution of the work of the Indianapolis Foundation. The glaring, self-interested decision to fund the Indianapolis Symphony Orchestra Society at the height of the Great Depression is a blatant example of the elite arrogance and sense of entitlement of this privileged group.

Insulated from the threat of the most essential needs as theorized by Maslow, in their sequestered worlds they were able to ignore the throngs who struggled to attain what the wealthy had in abundance. Oblivious to the needs of the poorest, they defined community need as that of self-actualization through the civilizing power of classical music. While tens of thousands in Indianapolis were out of work, the Indianapolis



Foundation was supporting an arts organization that very few citizens had access to or interest in. This self-serving funding request was initiated by the Chamber of Commerce, which was not a charitable organization, and was driven forward through the efforts of several of the foundation's trustees and its executive director. Even more wealthy elites controlled the symphony through membership rules that excluded all but the wealthiest, and to be on the symphony board was a prestigious symbol of high social status. This was an organization that benefitted a small private group of elites, yet it was touted to the public as a critical community service. In the end, the wealthy elite, both inside and outside the Indianapolis Foundation, persevered in keeping the Indianapolis Symphony Orchestra solvent, nursing it along for several years, and today it stands as one of the wealthiest nonprofit arts organizations in the State of Indiana. The Indianapolis Foundation was complicit, along with other foundations and elite supporters, in feeding the constant growth of the symphony that left it constantly in need of additional funding. Each fundraising campaign stressed the need for more funds to ensure its fiscal solvency, but that promise, no matter how large the funding increase, was never realized. Part of this was due to the evolving trend of referring to musicians as "professionals" and paying them accordingly, as well as employing staff professionals that usurped the role of volunteers in the areas of fundraising and administration, thereby driving up annual operating costs.

Although the Indianapolis Foundation funded many arts organizations during the years covered in this history, none received the indulgent amount of funding that the Indianapolis Symphony Orchestra enjoyed. Yet the funding it offered remained at a stagnant level for several years at a time, making the foundation's actual support in

constant dollars forever dwindle. This and the entrance of large individual and corporate-funded foundations into the area of arts funding in Indianapolis, as well as the Indianapolis Foundation's decisions to fund other arts and culture organizations, eventually led to the eclipse of the Indianapolis Foundation as a substantial supporter of the ISO. From 1924 through 1988, according to the charts that I have compiled from the Indianapolis Foundation annual financial reports, the foundation has supported the ISO with more than \$3.3 million in 2004 constant dollars. In the area of music alone, not counting opera, it funded 20 other organizations for a total of 1.5 million CD. Thus the ISO has received more than twice as much funding as all other musical organizations combined.

Three major changes have taken place in the community foundation since 1988, when this history ends. First, the way community foundations since then have been formed is drastically different. Funding by private foundations emerged in the 1990s, such as the Lilly Endowment's GIFT program, which funded 92 new and existing community foundations throughout Indiana, and the Charles Stewart Mott Foundation. Other private foundations, such as the Knight Foundation, have also invested heavily in community foundations throughout the country. As a result, the governance culture and structure of those community foundations that were created by private foundations might prove to be very different than those begun in the early part of the last century. Second, creation of donor advised-funds and the increasing role of the community foundation as an administrator of private foundation and corporate foundation funds fueled tremendous growth in the assets and change in the staffing of community foundations. These changes have included adding "philanthropic advisors" to assist donors in their philanthropic

efforts. And third, the assets of many community foundations are no longer under the control of trust companies or banks, but are now under the umbrella of the community foundations themselves to invest as they see fit. In essence, the community foundation has become a trust company that, for an administrative fee, administers funds for private and corporate foundations, endowment funds for other nonprofits, donor-advised and donor-directed funds. In order to fully understand how the community foundation of today operates, and how their trustees define modern day community needs, additional research covering the last two decades should be pursued.

Today, many of the assets of the Indianapolis Foundation have been transferred to the larger Central Indiana Community Foundation (CICF), which also serves communities in greater Indianapolis and surrounding areas. In addition, the battle over control of the charitable trust funds so once closely held by the trust companies was eventually won by the Indianapolis Foundation and CICF, giving them complete control over both the trusts and the charitable funds they create. The Indianapolis Foundation Board of Trustees remains at the original six members appointed by judges and politicians, but its size in terms of assets is significantly less than that of CICF, which boasts 20 trustees on its board. Six of those 20 are the Indianapolis Foundation Trustees, three are from the Legacy Fund Community Foundation, a sister foundation, and 12 are elected by the CICF board. The Legacy Fund itself is comprised of 30 board members, making it the most expanded board of the three.

The expansion of the board to be more inclusive of other members of the community appears to be reshaping community foundation decision-making to be more cognizant that these foundations are, indeed, there for the benefit of the entire

community. One recent example that is related to my research shows how the justification of arts and culture as a community need continues, but the reasons for the arts have morphed into building a more family and pedestrian friendly Indianapolis. Again, however, the project was funded primarily because of the positive economic ramifications of being identified as a city of arts and culture rather than for the aesthetics of any particular art form. To their credit, the leaders of the Indianapolis Foundation, the Central Indiana Community Foundation, and the Legacy Fund have been responsible for working with Indianapolis philanthropists to create the new Cultural Trail Initiative in Indianapolis to link together a majority of the downtown's arts and cultural organizations. Although the project, like most arts and culture projects of the past, have been driven by economic benefit in terms of tourism and positive public relations for the image of the city, unlike the past support of elite cultural institutions, the Cultural Trail Initiative does benefit the general public rather than the wealthy few. Instead of defining community need through an elite lens, the Cultural Trail can be viewed as filling a community need as defined through the lens of every citizen of, and visitor to, the city of Indianapolis.

My research has helped address some important questions, but it has also raised many more that wait to be answered. Some of those questions that could be addressed by additional historical research are: How do the histories of the creation of other community foundations compare with that of the Indianapolis Foundation? Were there similar changes in state law trust company laws that precipitated the creation of other community foundations? Is there more evidence of profit being a motive for their creation than a sense of commitment to the community? When and why did the ways in which community foundations were created change? Under what pressures and

circumstances did the original trust companies that created community foundations open up participation to additional trust companies and banks? How did community foundations eventually wrestle control of the charitable trusts from the original trust companies? My hope is that as more community foundation archives become available, future researchers will be able to use the findings in this dissertation as a starting point for comparison and a foundation for additional historical research.

## **Appendices**

### **Appendix A: A Summary of when Other Arts Organizations Obtained Funding**

Source: Indianapolis Foundation Annual Financial Reports, RLSCA/IUPUI

**1945 - Opera:** It appears from newspaper articles that although the Indianapolis Theatre Association and the Parks Department co-sponsored the event, the opera was actually performed by the Indianapolis Opera Theatre. On May 3, 1945, the foundation approved the request for \$2,000 [\$21,052 CD] in funding in response to a written appeal made by Paul Brown on April 3 of the same year.

**1948 - Musical Theatre:** The summer opera program was now titled “Stars Under the Stars.” Once again, the foundation granted \$2,000 to this effort, but in 1948 inflation had taken a huge jump since 1945, reducing the purchase power of the grant to \$15,625, a decrease of more than \$4,000 compared to only three years before.

**1949 - Film:** The first funding for film was actually received by Civic Films, Inc, a production company from Hollywood (and proudly promoted as such). The grant was \$1,000 [\$7,936 CD] and these films were made to “promote citizenship” and American values and were made available at no cost to the public. Because the time period was during the “Red Scare” and McCarthy-ism, it is probable that these were propaganda movies about the attributes of American democracy and free enterprise, and the evils of socialist or communist thought, however more research is forth coming.

**1955 - Museums:** The Children's Museum of Indianapolis was the first Museum funded by the foundation, although it later funded the Indianapolis Museum of Art in 1969 and the Museum of Indiana Heritage (eventually the Eiteljorg Museum of American Indians?) in 1986. The first funding was for \$5,000 [\$35,211 CD], and was followed by several more grants between 1956 and 1974.

**1958 - Visual Arts Funding:** \$16,000 [\$104,575 CD] was granted to the Southwest Social Center in 1958 for a building to conduct arts and crafts workshops. In 1963, they were given another grant for \$14,000 [\$86,419 CD] to complete the building. Whether this would be classified as visual arts support or arts education will be determined with more research into what exactly this organization's function was.

**1963 - Zoo Funding:** The Zoological Society was gifted a rather large gift for the 1969 - \$25,000, which is \$154,320 CD. This was obviously a big project for the community because another large gift was made the next year of \$35,000 [\$154,320]. These grants were followed by more funding through the years until the Zoo relocated to its present location at White River State Park. In 1984, the foundation granted the Zoo \$110,000 [\$200,000 CD], of which \$10,000 was to be used for educational programming and the rest for relocation and building expenses. This was part of a three year commitment, and another \$50,000 [\$87,719] was appropriated the next year.

**1964 - Arts Education:** The first program funded for Young Audiences, Inc., was a music education program for school children in Indianapolis. This follows a similar

pattern of funding music-oriented arts activities above all else, especially early in the foundation's history with groups like the Indianapolis Symphony Orchestra. The initial grant was \$2,880 [\$17,569 CD] and was followed by several more through 1986 ranging from \$1,000 to \$3,500 per year in non-converted amounts.

**1966 - Choirs:** Choral groups were among those funded at very low levels in comparison to other art forms. The first grant was in 1966 to the Indianapolis Symphonic Choir in the amount of only \$200 [\$1,162.79]. Unfortunately for choirs, not only was funding low, but it often remained at the same dollar amount over a number of years, so that the actual value in current dollars constantly declined. For example, the Symphonic Choir received \$200 in several years from 1966 through 1975, so that by 1975 the current dollars were only \$701. This was a reduction of real purchasing power of more than \$500 in less than ten years. Their final grant was in 1982, which was \$1,000, but in 2004 current dollars this still only amounted to \$1,956, only an \$800 increase in more than 15 years.

**1971 - Radio and Television:** WIAN Radio was a public broadcasting station and the Fine Arts Society submitted a proposal to fund a radio show about the arts in Indianapolis. Its first funding was in 1971 for the amount of \$3,000 [\$14,018 CD], and the show was launched. Although it still exists on the radio, the Indianapolis Foundation for it continued through 1975 and then stopped. However, in 1983 WIAN radio station was awarded \$9,076 [\$17,222 CD] to promote station membership development.



**1972 - Theatre:** Both the Indiana Repertory Theatre and the Booth Tarkington Civic Theatre (soon to be the Indianapolis Civic Theatre?) received their first funding in 1972. The Indiana Repertory Theatre (IRT) was a new start-up during this time when regional theatres were the rage across the country and funders like the Ford Foundation were investing large sums of money in regional arts organizations. The IRT's first grant was for presenting programs to students at high schools, and the amount was \$4,500 [\$21,493 CD]. The Booth Tarkington Civic Theatre was given \$2,500 [\$11,312 CD] to build a new theatre, but it is unclear if that was ever accomplished.

**1975 - Dance:** The Civic Ballet Society of Indianapolis was the first dance organization to receive support, and it was impressive for a first grant. The amount was for \$6,500 [\$22,807 CD] in 1975, and was followed up with \$7,500 [\$24,916 CD] in 1976, and then a quantum leap in 1977 to \$22,500 [\$70,093 CD]. Another huge increase occurred in 1980 in the amount of \$60,000 [\$137,614 CD], part of which was for programs for school children but part of it was to replace costumes and sets lost in a fire the previous year.

**1977 - Arts Council:** There were only two grants awarded to the Metropolitan Arts Council (precursor to the Arts Council of Indianapolis?) during this period. The first was in 1977 in the amount of \$12,000 [37,383] and the second in 1978 for \$8,000 [24,637].

**1980 - Arts Promotion:** The Arts Insite Monthly Newsletter was the first arts promotion program that was funded, and the grant was to form a development plan. However, the

development plan must not have worked well because the first grant was the only grant made to it in 1980 in the amount of \$500 [\$1,149 CD].

**1985 - Art Festivals:** In 1985, the foundation gifted \$15,000 [\$26,315 CD] for the White River Park Art Festival. This was the first year of the festival and it lasted for ten days, but I have not discerned from my efforts if its funding was continued after 1986.

**Appendix B: Timeline for Beginning Arts Funding by Indianapolis Foundation, 1933-1986**

<b>KIND OF ARTS</b>	<b>YEAR STARTED</b>	<b>ORGANIZATION</b>	<b>AMOUNT IN YEAR</b>	<b>2004 DOLLARS</b>
Music - Orchestra	1933	Indianapolis Symphony Orchestra Assn.	50.00	724.64
Opera	1945	Board of Parks Summer Opera Program	2000.00	21,052.63
Musical Theatre	1948	Indianapolis Theatre Assn. (Stars Under the Stars)	2000.00	15,625.00
Film	1949	Civic Films, Inc.	1000.00	7,936.51
Museums	1955	Children's Museum of Indianapolis	5000.00	35,211.27
Visual Arts	1958	Southwest Social Center (Building for Arts and Crafts)	16,000	104,575.16
Zoos	1963	Indianapolis Zoological Society	25,000.00	154,320.99
Arts Education (Music)	1964	Young Audiences, Inc.	2,880.00	17,560.98
Music – Choral	1966	Indianapolis Symphonic Choir	200.00	1,162.79
Museums – Art	1969	Indianapolis Museum of Art	25,000.00	128,865.98
Radio/Television	1971	Fine Arts Society, WIAN Program	3,000.00	14,018.69
Theatre	1972	Booth Tarkington Civic Theatre	2,500.00	11,312.22
Theatre	1972	Indiana Repertory Theatre	4,750.00	21,493.21
Dance – Ballet	1975	Civic Ballet Society of Indianapolis	6,500	22,807.02
Arts Council	1977	Metropolitan Arts Council	12,000	37,383.18
Arts Promotion	1980	Arts Insight Monthly Newsletter	500	1,149.79
Art Festivals	1985	White River Park Art Festival	15,000	26,315.79

## Appendix C: Charts of Indianapolis Foundation Funding of Charitable Organizations

Source: Indianapolis Foundation Annual Financial Reports, Indianapolis Foundation Collection, RLSCA/IUPUI

Category	Organization	1924	1925	1926	1927	1928	1929
Family and Community							
Employment	Indianapolis Employment Bureau	4,000.00	12,407.25	11,550.00	12,501.10	12,000.00	12,078.62
Indianapolis Community Fund	Indianapolis Community Fund	5,000.00	5,000.00	10,500.00	11,750.00	13,750.00	15,500.00
Employment	Unemployment Study	261.04					
Employment	Vocational Bureau Study		189.70				
Social Services	Community Welfare Institute		533.57	789.57			
Criminal and Legal Issues	Probation Study				600.00		
Capital Expenditures	Phyllis Wheatly Building Fund					18,500.00	
Capital Expenditures	Wheeler City Mission Building					2,500.00	
Research and Information	Census Tracts Appropriation					5.48	2,411.08
Research and Information	Recreation Survey						7,404.75
Criminal and Legal Issues	Marion County Detention Home						
Recreation	Indianapolis Park Board						
Criminal and Legal Issues	Indianapolis Bar Assn - Legal Aid Society						
Community Projects	Fletcher Place Community Center						
Family and Community Total		9,261.04	18,130.52	22,839.57	24,851.10	46,755.48	37,394.45

Category	Organization	1930	1931	1932	1933	1934
<b>Family and Community</b>						
Employment	Indianapolis Employment Bureau		10,000.00	11,000.00	4,000.00	
Indianapolis Community Fund	Indianapolis Community Fund	18,000.00	10,000.00	10,000.00	35,000.00	30,000.00
Employment	Unemployment Study					
Employment	Vocational Bureau Study					
Social Services	Community Welfare Institute					
Criminal and Legal Issues	Probation Study					
Capital Expenditures	Wheeler City Mission Building					
Research and Information	Census Tracts Appropriation	12.82				
Research and Information	Recreation Survey	2,199.67				
Criminal and Legal Issues	Marion County Detention Home					209.30
Recreation	Indianapolis Park Board					
Criminal and Legal Issues	Indianapolis Bar Assn - Legal Aid Society					
Community Projects	Fletcher Place Community Center					
<b>Family and Community Total</b>		<b>20,212.49</b>	<b>20,000.00</b>	<b>21,000.00</b>	<b>39,000.00</b>	<b>30,209.30</b>

Category	Organization	1935	1936	1937	1938	1939
<b>Family and Community</b>						
Employment	Indianapolis Employment Bureau					
Indianapolis Community Fund	Indianapolis Community Fund	30,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Employment	Unemployment Study					
Employment	Vocational Bureau Study					
Social Services	Community Welfare Institute					
Capital Expenditures	Phyllis Wheatly Building Fund					
Capital Expenditures	Wheeler City Mission Building					
Research and Information	Census Tracts Appropriation					
Research and Information	Recreation Survey					
Criminal and Legal Issues	Marion County Detention Home		150.00			
Recreation	Indianapolis Park Board				1,000.00	825.00
Criminal and Legal Issues	Indianapolis Bar Assn - Legal Aid Society					
Community Projects	Fletcher Place Community Center					
<b>Family and Community Total</b>		<b>30,000.00</b>	<b>25,150.00</b>	<b>25,000.00</b>	<b>26,000.00</b>	<b>25,825.00</b>

Category	Organization	1940	1941	1942	1943	1944	1945
<b>Family and Community</b>							
Employment	Indianapolis Employment Bureau						
Indianapolis Community Fund	Indianapolis Community Fund	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Employment	Unemployment Study						
Employment	Vocational Bureau Study						
Social Services	Community Welfare Institute						
Criminal and Legal Issues	Probation Study						
Capital Expenditures	Phyllis Wheatly Building Fund						
Capital Expenditures	Wheeler City Mission Building						
Research and Information	Census Tracts Appropriation						
Research and Information	Recreation Survey						
Criminal and Legal Issues	Marion County Detention Home						
Recreation	Indianapolis Park Board						
Criminal and Legal Issues	Indianapolis Bar Assn - Legal Aid Society		6,250.00	2,437.02	2,409.20	2,874.00	3,800.00
Community Projects	Fletcher Place Community Center						
<b>Family and Community Total</b>		<b>25,000.00</b>	<b>31,250.00</b>	<b>27,437.02</b>	<b>27,409.20</b>	<b>27,874.00</b>	<b>28,800.00</b>

Category	Organization	1946	1947	1948	1949	1950	1951
<b>Family and Community</b>							
Employment	Indianapolis Employment Bureau						
Indianapolis Community Fund	Indianapolis Community Fund	25,000.00	25,000.00	25,000.00	27,500.00	27,500.00	29,000.00
Employment	Unemployment Study						
Employment	Vocational Bureau Study						
Social Services	Community Welfare Institute						
Criminal and Legal Issues	Probation Study						
Capital Expenditures	Phyllis Wheatly Building Fund						
Capital Expenditures	Wheeler City Mission Building						
Research and Information	Census Tracts Appropriation						
Research and Information	Recreation Survey						
Criminal and Legal Issues	Marion County Detention Home						
Recreation	Indianapolis Park Board						
Criminal and Legal Issues	Indianapolis Bar Assn - Legal Aid Society	4,240.00	5,130.00	3,800.00	4,515.00	4,500.00	4,500.00
Community Projects	Fletcher Place Community Center					5,000.00	4,000.00
<b>Family and Community Total</b>		<b>29,240.00</b>	<b>30,130.00</b>	<b>28,800.00</b>	<b>32,015.00</b>	<b>37,000.00</b>	<b>37,500.00</b>



Category	Organization	1924	1925	1926	1927	1928	1929
<b>Health, Handicapped &amp; Rehabilitation</b>							
Health Organization	Pub. Health Nursing Assn./For Crippled (Visiting Nurse Association)	2,049.22	2,198.00	4,971.50	5,830.12	7,486.36	8,794.22
Hospital	James Whitcomb Riley Hospital	2,000.00					
Hospital	City Hospital, Psyche Ward	22,571.30	3,060.83	11,066.22	6,959.00		1,525.00
Hospital	Psychiatric Services, Indiana Univ. Hos.		678.50				
Handicapped Services	(Roberts) School/Handicapped Children		5,860.50	9,905.19	10,215.77	11,016.33	12,527.38
Study	Crippled Children Study		638.19				
Hospital	Sunnyside Sanatorium		712.75	3,500.00	3,000.00	3,500.00	2,000.00
Psychiatric Services	Study - Julietta Hospital for Insane			518.93			
Health Organization	Board of Health/Prenatal and Orthodontia			8,000.00	7,500.00	5,500.00	
Hospital	Occupational Therapy, City Hospital				600.13		
Study	Colored Hospital Study				187.82	10.50	
Handicapped Services	James E. Roberts Appliance Fund				76.50	27.00	
Study	Hospital Survey					1,070.88	
Hospital	St. Margaret's Guild, Occup. Therapy					1,799.16	2,850.01
Handicapped Services	Sight Conservation Class						300.00
Study	Hospital Study						
Handicapped Services	Indpls League for the Hard of Hearing (Hearing Society)						
Handicapped Services	Hard of Hearing Demo						
Health Organization	Flower Mission Society						
Health Organization	7th Dist. Fed. of Clubs- Cancer						
Handicapped Services	Education of Handicapped Children						
Hospital	Cancer Clinic - City Hospital						
Handicapped Services	Marion Co. Society for the Crippled						
Health Organization	Indianapolis Hospital Development Association						
Health Organization	Norways Foundation						
<b>Health, Handicapped &amp; Rehabilitation Total</b>		<b>26,620.52</b>	<b>13,148.77</b>	<b>26,895.62</b>	<b>34,369.34</b>	<b>30,410.23</b>	<b>27,996.61</b>

Category	Organization	1930	1931	1932	1933	1934
<b>Health, Handicapped &amp; Rehabilitation</b>						
Health Organization	Pub. Health Nursing Assn./For Crippled (Visiting Nurse Association)	8,219.00	8,219.00	7,135.80	8,583.00	7,500.00
Hospital	James Whitcomb Riley Hospital					
Hospital	City Hospital, Psyche Ward					
Hospital	Psychiatric Services, Indiana Univ. Hos.					
Handicapped Services	(Roberts) School/Handicapped Children	12,063.72	11,927.67	13,570.26	15,947.04	16,411.88
Study	Crippled Children Study					
Hospital	Sunnyside Sanatorium	3,000.00	3,000.00	1,500.00	500.00	
Psychiatric Services	Study - Julietta Hospital for Insane					
Health Organization	Board of Health/Prenatal and Orthodontia					3,497.58
Hospital	Occupational Therapy, City Hospital	5,127.39				
Study	Colored Hospital Study					
Handicapped Services	James E. Roberts Appliance Fund	170.00	506.15			
Study	Hospital Survey					
Hospital	St. Margaret's Guild, Occup. Therapy	4,035.83	2,260.00	4,550.00	4,733.33	5,916.67
Handicapped Services	Sight Conservation Class	278.00	547.38	253.14	200.00	100.00
Study	Hospital Study	687.30				
Handicapped Services	Indpls League for the Hard of Hearing (Hearing Society)	100.00	700.00	400.00	600.00	400.00
Handicapped Services	Hard of Hearing Demo					
Health Organization	Flower Mission Society					1,500.00
Health Organization	7th Dist. Fed. of Clubs- Cancer					
Handicapped Services	Education of Handicapped Children					
Hospital	Cancer Clinic - City Hospital					
Handicapped Services	Marion Co. Society for the Crippled					
Health Organization	Indianapolis Hospital Development Association					
Health Organization	Norways Foundation					
<b>Health, Handicapped &amp; Rehabilitation Total</b>		<b>33,681.24</b>	<b>27,160.20</b>	<b>27,409.20</b>	<b>30,563.37</b>	<b>35,326.13</b>

Category	Organization	1935	1936	1937	1938	1939	1940
<b>Health, Handicapped &amp; Rehabilitation</b>							
Health Organization	Pub. Health Nursing Assn./For Crippled (Visiting Nurse Association)	7,500.00	7,500.00	7,500.00	9,843.97	9,844.00	9,844.00
Hospital	James Whitcomb Riley Hospital						
Hospital	City Hospital, Psyche Ward				906.75	3,550.00	
Hospital	Psychiatric Services, Indiana Univ. Hos.						
Handicapped Services	(Roberts) School/Handicapped Children	17,182.91	18,423.81	16,639.85	21,883.36	21,999.75	20,973.75
Study	Crippled Children Study						
Hospital	Sunnyside Sanatorium						
Psychiatric Services	Study - Julietta Hospital for Insane						
Health Organization	Board of Health/Prenatal and Orthodontia						
Hospital	Occupational Therapy, City Hospital			150.00			
Study	Colored Hospital Study						
Handicapped Services	James E. Roberts Appliance Fund						
Study	Hospital Survey						
Hospital	St. Margaret's Guild, Occup. Therapy	3,550.00	3,550.00	3,550.00	3,550.00		3,783.00
Handicapped Services	Sight Conservation Class	100.00		4.60			
Study	Hospital Study						
Handicapped Services	Indpls League for the Hard of Hearing (Hearing Society)	600.00	650.00	850.00	850.00	850.00	850.00
Handicapped Services	Hard of Hearing Demo	2,061.00	1,901.54	3.30			
Health Organization	Flower Mission Society						
Health Organization	7th Dist. Fed. of Clubs- Cancer		2,000.00				
Handicapped Services	Education of Handicapped Children			31.06			
Hospital	Cancer Clinic - City Hospital					3,112.10	2,500.00
Handicapped Services	Marion Co. Society for the Crippled						
Health Organization	Indianapolis Hospital Development Association						
Health Organization	Norways Foundation						
<b>Health, Handicapped &amp; Rehabilitation Total</b>		<b>30,993.91</b>	<b>34,025.35</b>	<b>28,728.81</b>	<b>37,034.08</b>	<b>39,355.85</b>	<b>37,950.75</b>

Category	Organization	1941	1942	1943	1944	1945	1946
<b>Health, Handicapped &amp; Rehabilitation</b>							
Health Organization	Pub. Health Nursing Assn./For Crippled (Visiting Nurse Association)	9,844.00	10,620.00	10,620.00	10,620.00	10,620.00	10,620.00
Hospital	James Whitcomb Riley Hospital						
Hospital	City Hospital, Psyche Ward	2,291.00	150.00		2,800.00	5,600.00	5,600.00
Hospital	Psychiatric Services, Indiana Univ. Hos.						
Handicapped Services	(Roberts) School/Handicapped Children	21,128.32	21,315.30	22,530.69	28,399.98	15,210.89	15,501.40
Study	Crippled Children Study						
Hospital	Sunnyside Sanatorium						
Psychiatric Services	Study - Julietta Hospital for Insane						
Health Organization	Board of Health/Prenatal and Orthodontia						
Hospital	Occupational Therapy, City Hospital						1,150.00
Study	Colored Hospital Study						
Handicapped Services	James E. Roberts Appliance Fund						
Study	Hospital Survey						
Hospital	St. Margaret's Guild, Occup. Therapy	4,250.00	4,538.34	5,115.00	3,410.00	6,820.00	5,515.00
Handicapped Services	Sight Conservation Class						
Study	Hospital Study						
Handicapped Services	Indpls League for the Hard of Hearing (Hearing Society)	850.00	850.00	900.00	900.00	900.00	1,200.00
Handicapped Services	Hard of Hearing Demo						
Health Organization	Flower Mission Society						
Health Organization	7th Dist. Fed. of Clubs- Cancer						
Handicapped Services	Education of Handicapped Children						
Hospital	Cancer Clinic - City Hospital		3,000.00				
Handicapped Services	Marion Co. Society for the Crippled						
Health Organization	Indianapolis Hospital Development Association						
Health Organization	Norways Foundation						
<b>Health, Handicapped &amp; Rehabilitation Total</b>		<b>38,363.32</b>	<b>40,473.64</b>	<b>39,165.69</b>	<b>46,129.98</b>	<b>39,150.89</b>	<b>39,586.40</b>

Category	Organization	1947	1948	1949	1950	1951
<b>Health, Handicapped &amp; Rehabilitation</b>						
Health Organization	Pub. Health Nursing Assn./For Crippled (Visiting Nurse Association)	10,620.00	10,620.00	14,409.00	10,620.00	10,620.00
Hospital	James Whitcomb Riley Hospital					
Hospital	City Hospital, Psyche Ward	2,800.00				
Hospital	Psychiatric Services, Indiana Univ. Hos.					
Handicapped Services	(Roberts) School/Handicapped Children	15,177.30				
Study	Crippled Children Study					
Hospital	Sunnyside Sanatorium					
Psychiatric Services	Study - Julietta Hospital for Insane					
Health Organization	Board of Health/Prenatal and Orthodontia					
Hospital	Occupational Therapy, City Hospital	1,200.00				
Study	Colored Hospital Study					
Handicapped Services	James E. Roberts Appliance Fund					
Study	Hospital Survey					
Hospital	St. Margaret's Guild, Occup. Therapy	6,315.00	5,876.67	5,000.00	5,000.33	5,000.00
Handicapped Services	Sight Conservation Class					
Study	Hospital Study					
Handicapped Services	Indpls League for the Hard of Hearing (Hearing Society)	1,200.00	1,200.00	1,500.00	2,155.00	2,600.00
Handicapped Services	Hard of Hearing Demo					
Health Organization	Flower Mission Society					
Health Organization	7th Dist. Fed. of Clubs- Cancer					
Handicapped Services	Education of Handicapped Children					
Hospital	Cancer Clinic - City Hospital					
Handicapped Services	Marion Co. Society for the Crippled	3,200.00	3,200.00		3,200.00	5,000.00
Health Organization	Indianapolis Hospital Development Association				5,000.00	
Health Organization	Norways Foundation					10,000.00
<b>Health, Handicapped &amp; Rehabilitation Total</b>		<b>40,512.30</b>	<b>20,896.67</b>	<b>20,909.00</b>	<b>25,975.33</b>	<b>33,220.00</b>

Category	Organization	1924	1925	1926	1927	1928	1929
Youth Services							
Orphaned Children	Education for Colored Orphan Children		500.00	500.00	-		
Boy's Organization	Indianapolis Boys Club Assoc.			10,000.00			
Children's Welfare	Children's Aid Society				1,704.21		
Children's Welfare	Child Guidance Clinic						6,657.24
Children's Welfare	Board of Children's Guardians						
Male Organization	Boy Scouts of America						
Female Organization	Campfire Girls						
Children's Welfare	Christamore Settlement - Child's Camp (Christamore House)						
Female Organization	YWCA						
Male Organization	YMCA						
Children's Welfare	Day Nursery						
Female Organization	Girl Scouts of America						
<b>Youth Services Total</b>		-	<b>500.00</b>	<b>10,500.00</b>	<b>1,704.21</b>		<b>6,657.24</b>

Category	Organization	1930	1931	1932	1933	1934	1935
<b>Youth Services</b>							
Orphaned Children	Education for Colored Orphan Children						
Boy's Organization	Indianapolis Boys Club Assoc.						
Children's Welfare	Children's Aid Society						
Children's Welfare	Child Guidance Clinic	13,049.21	4,361.09				650.46
Children's Welfare	Board of Children's Guardians		95.67		43.75		
Male Organization	Boy Scouts of America						200.00
Female Organization	Campfire Girls						5,000.00
Children's Welfare	Christamore Settlement - Child's Camp (Christamore House)						
Female Organization	YWCA						
Male Organization	YMCA						
Children's Welfare	Day Nursery						
Female Organization	Girl Scouts of America						
<b>Youth Services Total</b>		<b>13,049.21</b>	<b>4,456.76</b>		<b>43.75</b>		<b>5,850.46</b>

Category	Organization	1936	1937	1938	1939	1940	1941
<b>Youth Services</b>				-			
Orphaned Children	Education for Colored Orphan Children			-			
Boy's Organization	Indianapolis Boys Club Assoc.						
Children's Welfare	Children's Aid Society						
Children's Welfare	Child Guidance Clinic						
Children's Welfare	Board of Children's Guardians	129.10					
Male Organization	Boy Scouts of America		6,500.00				
Female Organization	Campfire Girls				1,000.00		
Children's Welfare	Christamore Settlement - Child's Camp (Christamore House)	9,500.00					
Female Organization	YWCA	1,200.00			2,025.50	1,660.00	1,330.00
Male Organization	YMCA		6,000.00				
Children's Welfare	Day Nursery						5,000.00
Female Organization	Girl Scouts of America						
<b>Youth Services Total</b>		<b>10,829.10</b>	<b>12,500.00</b>	<b>-</b>	<b>3,025.50</b>	<b>1,660.00</b>	<b>6,330.00</b>



Category	Organization	1942	1943	1944	1945	1946	1947	1948
<b>Youth Services</b>								
Orphaned Children	Education for Colored Orphan Children			0.00	-		-	
Boy's Organization	Indianapolis Boys Club Assoc.							
Children's Welfare	Children's Aid Society							
Children's Welfare	Child Guidance Clinic							
Children's Welfare	Board of Children's Guardians							
Male Organization	Boy Scouts of America					2,500.00		
Female Organization	Campfire Girls							
Children's Welfare	Christamore Settlement - Child's Camp (Christamore House)							2,213.00
Female Organization	YWCA	1,450.00	1,800.00		-			
Male Organization	YMCA					8,000.00		
Children's Welfare	Day Nursery							
Female Organization	Girl Scouts of America							
<b>Youth Services Total</b>		<b>1,450.00</b>	<b>1,800.00</b>	<b>0.00</b>	<b>-</b>	<b>10,500.00</b>	<b>-</b>	<b>2,213.00</b>

Category	Organization	1949	1950	1951
<b>Youth Services</b>				
Orphaned Children	Education for Colored Orphan Children			
Boy's Organization	Indianapolis Boys Club Assoc.	5,000.00		
Children's Welfare	Children's Aid Society			
Children's Welfare	Child Guidance Clinic	5,000.00		
Children's Welfare	Board of Children's Guardians			
Male Organization	Boy Scouts of America	2,500.00		1,625.00
Female Organization	Campfire Girls			
Children's Welfare	Christamore Settlement - Child's Camp (Christamore House)			5,000.00
Female Organization	YWCA			
Male Organization	YMCA			
Children's Welfare	Day Nursery			
Female Organization	Girl Scouts of America		1,245.00	932.25
<b>Youth Services Total</b>		<b>12,500.00</b>	<b>1,245.00</b>	<b>7,557.25</b>

Category	Organization	1924	1925	1926	1927	1928	1929	1930
<b>Education</b>								
Scholarship	Alphonso Pettis Scholarship Fund		4,949.52	4,408.44	2,375.56	5,586.00	1,414.00	
Recreation	Manual Training H.S., Devlan Ath. Field			26,500.00	50,382.19	24,865.18	7, 374.20	
Scholarship	Devlan Smith Scholarship Fund				7,800.00	7,450.00	8,605.00	12,335.00
Scholarship	Teacher Scholarships				600.00		500.00	
Elementary Education	Indianapolis Free Kindergarten				5,978.98	1,704.21	720.00	800.00
Higher Education	Teachers College of Indianapolis					5,000.00	5,000.00	5,000.00
Scholarship	Social Service Scholarships					1,570.00	2,400.00	830.00
Scholarship	Occupational Therapy Scholarship						785.00	
Scholarship	General Scholarships (Indpls Schools)							
Scholarship	Kathryn Daniels Scholarship Fund							
Higher Education	Butler University							
<b>Education Total</b>		-	<b>4,949.52</b>	<b>30,908.44</b>	<b>67,136.73</b>	<b>46,175.39</b>	<b>19,424.00</b>	<b>18,965.00</b>

Category	Organization	1931	1932	1933	1934	1935	1936
<b>Education</b>							
Scholarship	Alphonso Pettis Scholarship Fund			5,000.00	10,500.00		
Recreation	Manual Training H.S., Devlan Ath. Field						
Scholarship	Devlan Smith Scholarship Fund	11,986.75	13,325.00	6,690.00	1,300.00		
Scholarship	Teacher Scholarships						
Elementary Education	Indianapolis Free Kindergarten	1,200.00					
Higher Education	Teachers College of Indianapolis						
Scholarship	Social Service Scholarships						
Scholarship	Occupational Therapy Scholarship						
Scholarship	General Scholarships (Indpls Schools)					13,575.00	12,000
Scholarship	Kathryn Daniels Scholarship Fund						
Higher Education	Butler University						
<b>Education Total</b>		<b>13,186.75</b>	<b>13,325.00</b>	<b>11,690.00</b>	<b>11,800.00</b>	<b>13,575.00</b>	<b>12,000</b>

Category	Organization	1937	1938	1939	1940	1941	1942	1943	1944
<b>Education</b>									
Scholarship	Alphonso Pettis Scholarship Fund								
Recreation	Manual Training H.S., Devlan Ath. Field								
Scholarship	Devlan Smith Scholarship Fund								
Scholarship	Teacher Scholarships								
Elementary Education	Indianapolis Free Kindergarten								
Higher Education	Teachers College of Indianapolis								
Scholarship	Social Service Scholarships								
Scholarship	Occupational Therapy Scholarship								
Scholarship	General Scholarships (Indpls Schools)	9,754.09	13,000.00	17,301.85	11,016.51	15,483.49	9,624.51	9,727.25	13,508.10
Scholarship	Kathryn Daniels Scholarship Fund	500.00							
Higher Education	Butler University								
<b>Education Total</b>		<b>10,254.09</b>	<b>13,000.00</b>	<b>17,301.85</b>	<b>11,016.51</b>	<b>15,483.49</b>	<b>9,624.51</b>	<b>9,727.25</b>	<b>13,508.10</b>

Category	Organization	1945	1946	1947	1948	1949	1950	1951
<b>Education</b>								
Scholarship	Alphonso Pettis Scholarship Fund							
Recreation	Manual Training H.S., Devlan Ath. Field							
Scholarship	Devlan Smith Scholarship Fund							
Scholarship	Teacher Scholarships							
Elementary Education	Indianapolis Free Kindergarten							
Higher Education	Teachers College of Indianapolis							
Scholarship	Social Service Scholarships							
Scholarship	Occupational Therapy Scholarship							
Scholarship	General Scholarships (Indpls Schools)	7,000.00	12,000.00	12,000.00	12,000.00	12,750.00	12,750.00	12,400.00
Scholarship	Kathryn Daniels Scholarship Fund							
Higher Education	Butler University						2,500.00	5,000.00
<b>Education Total</b>		<b>7,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>12,750.00</b>	<b>15,250.00</b>	<b>17,400.00</b>

Category	Organization	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933
<b>Social Services</b>											
Elderly Care	Marion County Farm (Home for the Elderly)			1,492.42	302.40						
Orphaned Children	Indianapolis Orphans Home (Asylum?)										
Orphaned Children	Social Serv. Indpls. Orphan Asylum										
Public -Social Services	Indpls Council of Social Agencies										
Public -Social Services	Social Services, Public Schools										
NP Org. - Social Services	Flanner House										
NP Org. - Social Services	Theodora Home Campaign										
Public -Social Services	Board of School Commissioners										
NP Org. - Social Services	Goodwill Industries										
Handicapped Services	Cab Fare for Crippled Children to go to School										
NP Org. - Social Services	Salvation Army										
<b>Social Services Total</b>				<b>1,492.42</b>	<b>302.40</b>						
<b>Administrative</b>											
Administrative	Administrative	7,579.64	7,810.37	8,438.85	8,565.94	17,792.23	9, 134.26	8,767.74	8,827.15	8,750.69	7,982.77
<b>Administrative Total</b>		<b>7,579.64</b>	<b>7,810.37</b>	<b>8,438.85</b>	<b>8,565.94</b>	<b>17,792.23</b>	<b>9, 134.26</b>	<b>8,767.74</b>	<b>8,827.15</b>	<b>8,750.69</b>	<b>7,982.77</b>

Category	Organization	1934	1935	1936	1937	1938	1939	1940
<b>Social Services</b>								
Elderly Care	Marion County Farm (Home for the Elderly)							
Orphaned Children	Indianapolis Orphans Home (Asylum?)		15,000.00					
Orphaned Children	Social Serv. Indpls. Orphan Asylum					15,000.00	15,000.00	13,500.00
Public -Social Services	Indpls Council of Social Agencies				3,000.00			
Public -Social Services	Social Services, Public Schools				2,856.66	3,628.32	4,564.72	
NP Org. - Social Services	Flanner House					4,000.00		4,500.00
NP Org. - Social Services	Theodora Home Campaign							1,200.00
Public -Social Services	Board of School Commissioners							1,806.81
NP Org. - Social Services	Goodwill Industries							
Handicapped Services	Cab Fare for Crippled Children to go to School							
NP Org. - Social Services	Salvation Army							
<b>Social Services Total</b>			<b>15,000.00</b>	<b>0</b>	<b>5,856.66</b>	<b>22,628.32</b>	<b>19,564.72</b>	<b>21,006.81</b>
<b>Administrative</b>								
Administrative	Administrative	8,179.04	8,109.00	8384.01	9,621.36	9,303.31	9,378.24	9,382.40
<b>Administrative Total</b>		<b>8,179.04</b>	<b>8,109.00</b>	<b>8384.01</b>	<b>9,621.36</b>	<b>9,303.31</b>	<b>9,378.24</b>	<b>9,382.40</b>



Category	Organization	1941	1942	1943	1944	1945	1946	1947
<b>Social Services</b>								
Elderly Care	Marion County Farm (Home for the Elderly)							
Orphaned Children	Indianapolis Orphans Home (Asylum?)							
Orphaned Children	Social Serv. Indpls. Orphan Asylum	12,000.00	10,500.00	9,000.00	7,500.00	5,000.00	2,500.00	
Public -Social Services	Indpls Council of Social Agencies							
Public -Social Services	Social Services, Public Schools							
NP Org. - Social Services	Flanner House	3,000.00	3,000.00	1,500.00		4,725.00	7,975.00	7,500.00
NP Org. - Social Services	Theodora Home Campaign							
Public -Social Services	Board of School Commissioners							
NP Org. - Social Services	Goodwill Industries				5,000.00			
Handicapped Services	Cab Fare for Crippled Children to go to School							
NP Org. - Social Services	Salvation Army							
<b>Social Services Total</b>		<b>15,000.00</b>	<b>13,500.00</b>	<b>10,500.00</b>	<b>12,500.00</b>	<b>9,725.00</b>	<b>10,475.00</b>	<b>7,500.00</b>
<b>Administrative</b>								
Administrative	Administrative	9,360.25	9,421.16	9,234.07	9,858.00	10,071.36	10,000.26	10,137.29
<b>Administrative Total</b>		<b>9,360.25</b>	<b>9,421.16</b>	<b>9,234.07</b>	<b>9,858.00</b>	<b>10,071.36</b>	<b>10,000.26</b>	<b>10,137.29</b>

Category	Organization	1948	1949	1950	1951
<b>Social Services</b>					
Elderly Care	Marion County Farm (Home for the Elderly)				500.00
Orphaned Children	Indianapolis Orphans Home (Asylum?)				
Orphaned Children	Social Serv. Indpls. Orphan Asylum				
Public -Social Services	Indpls Council of Social Agencies				
Public -Social Services	Social Services, Public Schools				
NP Org. - Social Services	Flanner House	2,300.00		3,000.00	
NP Org. - Social Services	Theodora Home Campaign				
Public -Social Services	Board of School Commissioners				
NP Org. - Social Services	Goodwill Industries				3,750.00
Handicapped Services	Cab Fare for Crippled Children to go to School	2,250.00			
NP Org. - Social Services	Salvation Army			1,500.00	
<b>Social Services Total</b>		<b>4,550.00</b>		<b>4,500.00</b>	<b>4,250.00</b>
<b>Administrative</b>					
Administrative	Administrative	9,051.35	10,347.17	11,434.04	10,938.66
<b>Administrative Total</b>		<b>9,051.35</b>	<b>10,347.17</b>	<b>11,434.04</b>	<b>10,938.66</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1933</b>	<b>CD 1933</b>	<b>1934</b>	<b>CD 1934</b>	<b>1935</b>	<b>CD 1935</b>	<b>1936</b>	<b>CD 1936</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	50.00	<b>724.64</b>	50.00	<b>704.23</b>	1,350.00	<b>18,493.15</b>	2,000.00	<b>27,027.03</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis								
Music - Orchestra	Music Performance Trust Funds								
Music - Orchestra	Festival Music Society								
Music - Orchestra	Cathedral Arts, Inc								
Music - Orchestra	New World Chamber Orchestra								
Music - Orchestra	Indianapolis Municipal Band								
Music - Orchestra	International Violin Competition of Indianapolis								
Music - Orchestra	American Pianists Association								
Music - Orchestra	Indianapolis Chamber Orchestra								
Music - Orchestra	Indianapolis Symphonic Band								
Music - Orchestra	New Horizons Band								
Music	Summer Concert Series (City Parks)								
Music	American Theatre Organ Society/Central Indiana Chapter								
Music	Ensemble Music Society								
Music	International Center of Indianapolis								
Music	Earth Music Center of Indiana								
Music - Choral	Indianapolis Symphonic Choir								
Music - Choral	Indianapolis Community Choir								
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)								
Music - Choral	Indianapolis Children's Choir								
<b>Music Total</b>		50.00	<b>724.64</b>	50.00	<b>704.23</b>	1,350.00	<b>18,493.15</b>	2,000.00	<b>27,027.03</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1937</b>	<b>CD 1937</b>	<b>1938</b>	<b>CD 1938</b>	<b>1939</b>	<b>CD 1939</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	5,000.00	<b>65,789.47</b>	5,000.00	<b>66,666.67</b>	5,000.00	<b>67,567.568</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis						
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir						
Music - Choral	Indianapolis Community Choir						
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		5,000.00	<b>65,789.47</b>	5,000.00	<b>66,666.67</b>	5,000.00	<b>67,567.568</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1940</b>	<b>CD 1940</b>	<b>1941</b>	<b>CD 1941</b>	<b>1942</b>	<b>CD 1942</b>	<b>1943</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO			5,050.00	<b>64,743.59</b>	5,050.00	<b>58,720.93</b>	5,050.00
Music - Orchestra	Philharmonic Orchestra of Indianapolis							
Music - Orchestra	Music Performance Trust Funds							
Music - Orchestra	Festival Music Society							
Music - Orchestra	Cathedral Arts, Inc							
Music - Orchestra	New World Chamber Orchestra							
Music - Orchestra	Indianapolis Municipal Band							
Music - Orchestra	International Violin Competition of Indianapolis							
Music - Orchestra	American Pianists Association							
Music - Orchestra	Indianapolis Chamber Orchestra							
Music - Orchestra	Indianapolis Symphonic Band							
Music - Orchestra	New Horizons Band							
Music	Summer Concert Series (City Parks)							
Music	American Theatre Organ Society/Central Indiana Chapter							
Music	Ensemble Music Society							
Music	International Center of Indianapolis							
Music	Earth Music Center of Indiana							
Music - Choral	Indianapolis Symphonic Choir							
Music - Choral	Indianapolis Community Choir							
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)							
Music - Choral	Indianapolis Children's Choir							
<b>Music Total</b>				5,050.00	<b>64,743.59</b>	5,050.00	<b>58,720.93</b>	5,050.00

<b>Music Funding</b>	<b>Organization</b>	<b>CD 1943</b>	<b>1944</b>	<b>CD 1944</b>	<b>1945</b>	<b>CD 1945</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	<b>54,891.30</b>	5,000.00	<b>53,763.44</b>		
Music - Orchestra	Philharmonic Orchestra of Indianapolis					
Music - Orchestra	Music Performance Trust Funds					
Music - Orchestra	Festival Music Society					
Music - Orchestra	Cathedral Arts, Inc					
Music - Orchestra	New World Chamber Orchestra					
Music - Orchestra	Indianapolis Municipal Band					
Music - Orchestra	International Violin Competition of Indianapolis					
Music - Orchestra	American Pianists Association					
Music - Orchestra	Indianapolis Chamber Orchestra					
Music - Orchestra	Indianapolis Symphonic Band					
Music - Orchestra	New Horizons Band					
Music	Summer Concert Series (City Parks)					
Music	American Theatre Organ Society/Central Indiana Chapter					
Music	Ensemble Music Society					
Music	International Center of Indianapolis					
Music	Earth Music Center of Indiana					
Music - Choral	Indianapolis Symphonic Choir					
Music - Choral	Indianapolis Community Choir					
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)					
Music - Choral	Indianapolis Children's Choir					
<b>Music Total</b>		<b>54,891.30</b>	5,000.00	<b>53,763.44</b>		

[illegible]

<b>Music Funding</b>	<b>Organization</b>	<b>CD 1947</b>	<b>CD 1951</b>	<b>1952</b>	<b>CD 1952</b>	<b>1953</b>	<b>CD 1953</b>	<b>1954</b>	<b>CD 1954</b>	<b>1955</b>	<b>CD 1955</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO									5,000.00	<b>35,211.27</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis										
Music - Orchestra	Music Performance Trust Funds										
Music - Orchestra	Festival Music Society										
Music - Orchestra	Cathedral Arts, Inc										
Music - Orchestra	New World Chamber Orchestra										
Music - Orchestra	Indianapolis Municipal Band										
Music - Orchestra	International Violin Competition of Indianapolis										
Music - Orchestra	American Pianists Association										
Music - Orchestra	Indianapolis Chamber Orchestra										
Music - Orchestra	Indianapolis Symphonic Band										
Music - Orchestra	New Horizons Band										
Music	Summer Concert Series (City Parks)										
Music	American Theatre Organ Society/Central Indiana Chapter										
Music	Ensemble Music Society										
Music	International Center of Indianapolis										
Music	Earth Music Center of Indiana										
Music - Choral	Indianapolis Symphonic Choir										
Music - Choral	Indianapolis Community Choir										
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)										
Music - Choral	Indianapolis Children's Choir										
<b>Music Total</b>										5,000.00	<b>35,211.27</b>



<b>Music Funding</b>	<b>Organization</b>	<b>CD 1947</b>	<b>1956</b>	<b>CD 1956</b>	<b>1957</b>	<b>CD 1957</b>	<b>1958</b>	<b>CD 1958</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO		4,000.00	<b>27,777.78</b>	5,000.00	<b>33,557.05</b>	6,000.00	<b>39,215.69</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis							
Music - Orchestra	Music Performance Trust Funds							
Music - Orchestra	Festival Music Society							
Music - Orchestra	Cathedral Arts, Inc							
Music - Orchestra	New World Chamber Orchestra							
Music - Orchestra	Indianapolis Municipal Band							
Music - Orchestra	International Violin Competition of Indianapolis							
Music - Orchestra	American Pianists Association							
Music - Orchestra	Indianapolis Chamber Orchestra							
Music - Orchestra	Indianapolis Symphonic Band							
Music - Orchestra	New Horizons Band							
Music	Summer Concert Series (City Parks)							
Music	American Theatre Organ Society/Central Indiana Chapter							
Music	Ensemble Music Society							
Music	International Center of Indianapolis							
Music	Earth Music Center of Indiana							
Music - Choral	Indianapolis Symphonic Choir							
Music - Choral	Indianapolis Community Choir							
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)							
Music - Choral	Indianapolis Children's Choir							
<b>Music Total</b>			4,000.00	<b>27,777.78</b>	5,000.00	<b>33,557.05</b>	6,000.00	<b>39,215.69</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1959</b>	<b>CD 1959</b>	<b>1960</b>	<b>CD 1960</b>	<b>1961</b>	<b>CD 1961</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	6,000.00	<b>38,961.04</b>	6,000.00	<b>38,216.56</b>	6,000.00	<b>37,974.68</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	100.00	<b>649.35</b>	100.00	<b>636.94</b>	100.00	<b>632.91</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir						
Music - Choral	Indianapolis Community Choir						
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		6,100.00	<b>39,610.39</b>	6,100.00	<b>38,853.50</b>	6,100.00	<b>38,607.59</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1962</b>	<b>CD 1962</b>	<b>1963</b>	<b>CD 1963</b>	<b>1964</b>	<b>CD 1964</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	6,000.00	<b>37,500.00</b>	6,000.00	<b>37,037.04</b>	6,000.00	<b>36,585.37</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis			100.00	<b>617.28</b>	100.00	<b>609.76</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir						
Music - Choral	Indianapolis Community Choir						
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		6,000.00	<b>37,500.00</b>	6,100.00	<b>37,654.32</b>	6,100.00	<b>37,195.12</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1965</b>	<b>CD 1965</b>	<b>1966</b>	<b>CD 1966</b>	<b>1967</b>	<b>CD 1967</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	6,000.00	<b>35,928.14</b>	8,000.00	<b>46,511.63</b>	8,000.00	<b>45,197.74</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	100.00	<b>598.80</b>	100.00	<b>581.40</b>	200.00	<b>1,129.94</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)					5,000.00	<b>28,248.59</b>
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir			200.00	<b>1,162.79</b>	200.00	<b>1,129.94</b>
Music - Choral	Indianapolis Community Choir						
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		6,100.00	<b>36,526.95</b>	8,300.00	<b>48,255.81</b>	13,400.00	<b>75,706.21</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1968</b>	<b>CD 1968</b>	<b>1969</b>	<b>CD 1969</b>	<b>1970</b>	<b>CD 1970</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	8,000.00	<b>43,478.26</b>	8,000.00	<b>41,237.11</b>	8,000.00	<b>39,024.00</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	300.00	<b>1,630.43</b>	100.00	<b>515.46</b>	200.00	
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)	3,000.00	<b>16,304.35</b>				
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir	200.00	<b>1,086.96</b>	200.00	<b>1,030.93</b>	200.00	
Music - Choral	Indianapolis Community Choir		-	200.00	<b>1,030.93</b>	200.00	
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)		-				
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		11,500.00	<b>62,500.00</b>	8,500.00	<b>43,814.43</b>	8,600.00	<b>39,024.00</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1971</b>	<b>CD 1971</b>	<b>1972</b>	<b>CD 1972</b>	<b>1973</b>	<b>CD 1973</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	8,000.00	<b>37,383.18</b>	8,000.00	<b>36,199.10</b>		
Music - Orchestra	Philharmonic Orchestra of Indianapolis	200.00	<b>934.58</b>	200.00	<b>904.98</b>	200.00	<b>851.06</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir	200.00	<b>934.58</b>				
Music - Choral	Indianapolis Community Choir	200.00	<b>934.58</b>	200.00	<b>904.98</b>	200.00	<b>851.06</b>
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		8,600.00	<b>40,186.92</b>	8,400.00	<b>38,009.05</b>	400.00	<b>1,702.13</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1974</b>	<b>CD 1974</b>	<b>1975</b>	<b>CD 1975</b>	<b>1976</b>	<b>CD 1976</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	8,000.00	<b>30,651.34</b>	8,000.00	<b>28,070.18</b>	16,000.00	<b>53,156.15</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	2,700.00	<b>10,344.83</b>		-	500.00	<b>1,661.13</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						-
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir	200.00	<b>766.28</b>	200.00	<b>701.75</b>		-
Music - Choral	Indianapolis Community Choir	200.00	<b>766.28</b>	200.00	<b>701.75</b>	200.00	<b>664.45</b>
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)	3,000.00	<b>11,494.25</b>	3,000.00	<b>10,526.32</b>	3,000.00	<b>9,966.78</b>
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		14,100.00	<b>54,022.99</b>	11,400.00	<b>40,000.00</b>	19,700.00	<b>65,448.50</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1977</b>	<b>CD 1977</b>	<b>1978</b>	<b>CD 1978</b>	<b>1979</b>	<b>CD 1979</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	25,000.00	<b>77,881.62</b>	26,000.00	<b>75,362.32</b>	25,000.00	<b>65,104.17</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis		-	1,000.00	<b>2,898.55</b>	500.00	<b>1,302.08</b>
Music - Orchestra	Music Performance Trust Funds	1,722.00	<b>5,364.49</b>	4,500.00	<b>13,043.48</b>		
Music - Orchestra	Festival Music Society			13,500.00	<b>39,130.43</b>		
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)		-		-		
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir	500.00	<b>1,557.63</b>	500.00	<b>1,449.28</b>	500.00	<b>1,302.08</b>
Music - Choral	Indianapolis Community Choir	200.00	<b>623.05</b>		-	200.00	<b>520.83</b>
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)	3,000.00	<b>9,345.79</b>	3,000.00	<b>8,695.65</b>		-
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		30,422.00	<b>94,772.59</b>	48,500.00	<b>140,579.71</b>	26,200.00	<b>68,229.17</b>



<b>Music Funding</b>	<b>Organization</b>	<b>1980</b>	<b>CD 1980</b>	<b>1981</b>	<b>CD 1981</b>	<b>1982</b>	<b>CD 1982</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	75,000.00	<b>172,018.35</b>	25,000.00	<b>51,975.05</b>	25,000.00	<b>48,923.68</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	500.00	<b>1,146.79</b>	500.00	<b>1,039.50</b>	500.00	<b>978.47</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc			16,667.00	<b>34,650.73</b>	16,667.00	<b>32,616.44</b>
Music - Orchestra	New World Chamber Orchestra				-		-
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir	500.00	<b>1,146.79</b>			1,000.00	<b>1,956.95</b>
Music - Choral	Indianapolis Community Choir	400.00	<b>917.43</b>			200.00	<b>391.39</b>
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)		-				-
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		76,400.00	<b>175,229.36</b>	42,167.00	<b>87,665.28</b>	43,367.00	<b>84,866.93</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1983</b>	<b>CD 1983</b>	<b>1984</b>	<b>CD 1984</b>	<b>1985</b>	<b>CD 1985</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	25,000.00	<b>47,438.33</b>	25,000.00	<b>45,454.55</b>	25,000.00	<b>43,859.65</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	500.00	<b>948.77</b>	500.00	<b>909.09</b>		
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc	16,666.00	<b>31,624.29</b>	25,000.00	<b>45,454.55</b>		
Music - Orchestra	New World Chamber Orchestra					200.00	<b>350.88</b>
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir						
Music - Choral	Indianapolis Community Choir	200.00	<b>379.51</b>	400.00	<b>727.27</b>		
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		42,366.00	<b>80,390.89</b>	50,900.00	<b>92,545.45</b>	25,200.00	<b>44,210.53</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1986</b>	<b>CD 1986</b>	1987	<b>CD 1987</b>	1988	<b>CD 1988</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO			25,000.00	<b>41,597.34</b>	25,000.00	<b>39,936.10</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	500.00	<b>862.07</b>	2,500.00	<b>4,159.73</b>		-
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band			2,766.00	<b>4,602.33</b>		
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association						
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter						
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir						
Music - Choral	Indianapolis Community Choir	200.00	<b>344.83</b>	200.00	<b>332.78</b>	200.00	<b>319.49</b>
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)	25,000.00	<b>43,103.45</b>				
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		25,700.00	<b>44,310.34</b>	30,466.00	<b>50,692.18</b>	25,200.00	<b>40,255.59</b>

<b>Music Funding</b>	<b>Organization</b>	1989	<b>CD 1989</b>	1990	<b>CD 1990</b>	1991	<b>CD 1991</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	50,000.00	<b>76,219.51</b>	25,000.00	<b>36,127.17</b>	30,000.00	<b>41,608.88</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	2,000.00	<b>3,048.78</b>			2,000.00	<b>2,773.93</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc						
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis			30,000.00	<b>43,352.60</b>		
Music - Orchestra	American Pianists Association					3,000.00	<b>4,160.89</b>
Music - Orchestra	Indianapolis Chamber Orchestra						
Music - Orchestra	Indianapolis Symphonic Band						
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter	10,000.00	<b>15,243.90</b>	5,000.00	<b>7,225.43</b>		
Music	Ensemble Music Society						
Music	International Center of Indianapolis						
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir						
Music - Choral	Indianapolis Community Choir						
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)						
Music - Choral	Indianapolis Children's Choir						
<b>Music Total</b>		62,000.00	<b>94,512.20</b>	60,000.00	<b>86,705.20</b>	35,000.00	<b>48,543.69</b>

<b>Music Funding</b>	<b>Organization</b>	1989	1992	<b>CD 1992</b>	1993	<b>CD 1993</b>	1994	<b>CD 1994</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO		30,000.00	<b>40,376.85</b>	31,500.00	<b>41,176.47</b>	35,000.00	<b>44,585.99</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis		2,000.00	<b>2,691.79</b>	2,000.00	<b>2,614.38</b>		
Music - Orchestra	Music Performance Trust Funds							
Music - Orchestra	Festival Music Society							
Music - Orchestra	Cathedral Arts, Inc							
Music - Orchestra	New World Chamber Orchestra							
Music - Orchestra	Indianapolis Municipal Band							
Music - Orchestra	International Violin Competition of Indianapolis							
Music - Orchestra	American Pianists Association							
Music - Orchestra	Indianapolis Chamber Orchestra						7,898.69	<b>10,062.03</b>
Music - Orchestra	Indianapolis Symphonic Band							
Music - Orchestra	New Horizons Band							
Music	Summer Concert Series (City Parks)							
Music	American Theatre Organ Society/Central Indiana Chapter							
Music	Ensemble Music Society				2,000.00	<b>2,614.38</b>		
Music	International Center of Indianapolis							
Music	Earth Music Center of Indiana							
Music - Choral	Indianapolis Symphonic Choir		6,000.00	<b>8,075.37</b>	1,000.00	<b>1,307.19</b>	4,000.00	<b>5,095.54</b>
Music - Choral	Indianapolis Community Choir			-		-		-
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)			-		-	35,000.00	<b>44,585.99</b>
Music - Choral	Indianapolis Children's Choir			-	16,500.00	<b>21,568.63</b>		-
<b>Music Total</b>			38,000.00	<b>51,144.01</b>	53,000.00	<b>69,281.05</b>	81,898.69	<b>104,329.54</b>

<b>Music Funding</b>	<b>Organization</b>	<b>1995</b>	<b>CD 1995</b>	<b>1996</b>	<b>CD 1996</b>	<b>1997</b>	<b>CD 1997</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	35,000.00	<b>43,370.51</b>	35,000.00	<b>42,117.93</b>	45,000.00	<b>52,941.18</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis	2,000.00	<b>2,478.31</b>	2,000.00	<b>2,406.74</b>	8,914.00	<b>10,487.06</b>
Music - Orchestra	Music Performance Trust Funds						
Music - Orchestra	Festival Music Society						
Music - Orchestra	Cathedral Arts, Inc					40,000.00	<b>47,058.82</b>
Music - Orchestra	New World Chamber Orchestra						
Music - Orchestra	Indianapolis Municipal Band						
Music - Orchestra	International Violin Competition of Indianapolis						
Music - Orchestra	American Pianists Association					23,750.00	<b>27,941.18</b>
Music - Orchestra	Indianapolis Chamber Orchestra	4,000.00	<b>4,956.63</b>	20,000.00	<b>24,067.39</b>		-
Music - Orchestra	Indianapolis Symphonic Band					2,100.00	<b>2,470.59</b>
Music - Orchestra	New Horizons Band						
Music	Summer Concert Series (City Parks)						
Music	American Theatre Organ Society/Central Indiana Chapter					10,000.00	<b>11,764.71</b>
Music	Ensemble Music Society	2,000.00	<b>2,478.31</b>			2,500.00	<b>2,941.18</b>
Music	International Center of Indianapolis			3,500.00	<b>4,211.79</b>		
Music	Earth Music Center of Indiana						
Music - Choral	Indianapolis Symphonic Choir	5,000.00	<b>6,195.79</b>			22,500.00	<b>26,470.59</b>
Music - Choral	Indianapolis Community Choir						
Music - Choral	Cathedral Arts, Inc. (Choir - For non- church, inner city functions)						
Music - Choral	Indianapolis Children's Choir			10,000.00	<b>12,033.69</b>		
<b>Music Total</b>		48,000.00	<b>59,479.55</b>	70,500.00	<b>84,837.55</b>	154,764.00	<b>182,075.29</b>

<b>Music Funding</b>	<b>Organization</b>	1998	<b>CD 1998</b>	<b>Total for all years in Constant Dollars</b>
Music - Orchestra	Indianapolis Symphony Orchestra Assn./ Indianapolis State Symphony Society/ISO	40,000.00	<b>46,349.94</b>	<b>3,323,440.87</b>
Music - Orchestra	Philharmonic Orchestra of Indianapolis		-	<b>96,258.91</b>
Music - Orchestra	Music Performance Trust Funds			<b>24,629.96</b>
Music - Orchestra	Festival Music Society	50,000.00	<b>57,937.43</b>	<b>160,567.86</b>
Music - Orchestra	Cathedral Arts, Inc			<b>306,404.82</b>
Music - Orchestra	New World Chamber Orchestra			<b>550.88</b>
Music - Orchestra	Indianapolis Municipal Band			<b>7,368.33</b>
Music - Orchestra	International Violin Competition of Indianapolis			<b>73,352.60</b>
Music - Orchestra	American Pianists Association	65,000.00	<b>75,318.66</b>	<b>199,170.72</b>
Music - Orchestra	Indianapolis Chamber Orchestra	30,000.00	<b>34,762.46</b>	<b>135,747.19</b>
Music - Orchestra	Indianapolis Symphonic Band			<b>4,570.59</b>
Music - Orchestra	New Horizons Band	2,500.00	<b>2,896.87</b>	<b>5,396.87</b>
Music	Summer Concert Series (City Parks)			<b>52,552.94</b>
Music	American Theatre Organ Society/Central Indiana Chapter			<b>59,234.04</b>
Music	Ensemble Music Society			<b>14,533.87</b>
Music	International Center of Indianapolis			<b>7,711.79</b>
Music	Earth Music Center of Indiana	2,500.00	<b>2,896.87</b>	<b>5,396.87</b>
Music - Choral	Indianapolis Symphonic Choir			<b>104,470.44</b>
Music - Choral	Indianapolis Community Choir			<b>14,210.62</b>
Music - Choral	Cathedral Arts, Inc. (Choir - For non-church, inner city functions)			<b>212,718.23</b>
Music - Choral	Indianapolis Children's Choir			<b>60,102.32</b>
<b>Music Total</b>		190,000.00	<b>220,162.22</b>	<b>4,868,390.73</b>

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*The Vermont Foundation: A State-wide Community Trust*. Burlington: Vermont Commission on Country Life, 1931. Booklet

Veyne, Paul. *Bread and Circuses: Historical Sociology and Political Pluralism*, ed. Murray, Oswyn. UK: Penguin, 1992

W. Davenport, J.B. Gruelle, Heitman, R. Scott, and H. McKee, ed. *Indianapolitans “As We See ‘Em’”*. Indianapolis: The Newspaper Cartoonists' Association of Indianapolis, 1904

Weintraut, Linda. *Pioneers in Banking: A History of the Indiana National Bank*. Indianapolis: NBD Bank, N.A., 1994

Whitcomb, Larz A., ed. Foster, Eugene C., 3. Indianapolis, 1924

White, J. T. *The National Encyclopedia of American biography: being the history of the United States as illustrated in the lives of the founders, builders, and defenders of the republic, and of the men and women who are doing the work and molding the thought of the present time*: University Microfilms, 1967

William B. Weisell, Richard DeMars and Richard R. Hoffert. ed. Killen, Jack. Indianapolis, 1977

Wilson, Herbert E., ed. Foundation, The Indianapolis. Indianapolis, 1955

Wilson, Herbert E., ed. Foundation, The Indianapolis. Indianapolis, 1955

Wilson, Herbert E., ed. Foundation, Board of Directors of the Indianapolis. Indianapolis, 1956

Wilson, Herbert E., ed. Killen, Jack. Indianapolis, 1964

Winders, C. H., ed. Foster, Eugene C. Indianapolis, 1938

Winders, Rev. Charles H., ed. Lilly, J. K. Indianapolis, 1924

Wolf, Herman C., ed. Foster, Eugene C. Indianapolis, 1932

“Woollen Enters Presidential Race.” *New York World*, May 6, 1927

Woollen, Evans. Valedictory Poem and Oration, Pronounced before the Senior Class in Yale College, Presentation Day, June 28, 1886, Woollen Collection, Woollen Collection, Indianapolis Collection, IMCPL Indianapolis

Woollen, Evans. Speech before the New York Community Trust, Woollen Collection, Woollen Collection, Indianapolis Marion County Public Library/ The Indianapolis Room Archive Indianapolis

## Curriculum Vitae

**Marc Alan Hardy**

### EDUCATION

Indiana University, Indianapolis, IN

**Ph.D., Philanthropic Studies**

**2012**

Dissertation: *Defining Community Need through the Lens of the Elite:*

*A History of the Indianapolis Foundation and its Funding of the*

*Indianapolis Symphony Orchestra, 1893-1984*

Dissertation Defense: December, 2011

Indiana University, Indianapolis, IN

**M.A. Philanthropic Studies**

**2002-2004**

Area of concentration: Philanthropy and the Arts

Bethel College, Mishawaka, IN

**1988-1989**

**B.A. Management of Human Resources**

Area of concentration: organizational management

Webster University, St. Louis, MO

**1974-1976**

**Theatre Arts Conservatory**

Penn High School

**Mishawaka, IN**

**1973**

### AWARDS

Instructor of the Year Award; Graduate School of Public and

Environmental Affairs, Indiana University

**2006-2007**

Merrimon and Whitty Cuninggin Scholarship, Indiana University

**2006-2007**

Doctoral Research Grants, Indiana University Center on Philanthropy

**2006-2007**

Doctoral Research Grants, Central Indiana Community Foundation

**2004-2006**

### TEACHING EXPERIENCE

University of Notre Dame

**Adjunct Faculty - Master of Nonprofit Administration**

**2010**

Nonprofit management, develop and teach a graduate course on fund development.

Butler University, Indianapolis, IN <b>Associate Faculty - <i>Philanthropy and the Arts</i></b> Conceived undergraduate honors course, developed syllabus, administered all grades.	<b>2008</b>
Indiana University School of Public and Environmental Affairs, Indianapolis, IN <b>Associate Faculty – <i>Nonprofit Management</i></b> Developed undergraduate syllabus and course structure, administered all grades.	<b>2007-2008</b>
Indiana University School of Liberal Arts, Indianapolis, IN <b>Associate Faculty – <i>Introduction to Public Speaking</i></b> Developed undergraduate syllabus and course structure, administered all grades.	<b>2007-2008</b>
Butler University College of Business Administration, Indianapolis, IN <b>Associate Faculty – <i>The Business of Doing Good; the Relationship Between the For-profit and Nonprofit Sectors</i></b> Conceived undergraduate course, developed syllabus, administered all grades.	<b>2007</b>
Indiana University School of Public and Environmental Affairs, Indianapolis, IN <b>Associate Faculty – <i>The Nonprofit and Voluntary Sector</i></b> Developed graduate and undergraduate syllabus and course structure, administered all grades.	<b>2005-2008</b>
Indiana University Center on Philanthropy, Indianapolis, IN <b>Teaching Assistant – to Dwight Burlingame in <i>The Nonprofit and Voluntary Sector</i></b> Collaborated on graduate curriculum and exams, graded all work including final essays.	<b>2005</b>
Indiana University, Indianapolis, IN <b>Preparing Future Faculty Certification</b>	<b>2004</b>



## NONPROFIT EXPERIENCE

University of Notre Dame

### **Director of Nonprofit Executive Programs**

**2008-Present**

Teach in the Master of Nonprofit Administration Program, Mendoza College of Business. Create, through partnerships with nonprofit associations and organizations, non-degree nonprofit management and leadership programs for executives and leaders already working in the philanthropic field.

Butler University Institute for Research and Scholarship,  
Indianapolis, IN

### **Associate director, grants**

**2005-2008**

Developed and presented training programs to improve faculty grant proposals. Provided assistance to faculty and staff with funding research and proposal writing. Established and developed funder relationships. Increased grant success by 200%.

Indiana Theatre Association, Indianapolis, IN

### **President, board of directors**

**2006-2008**

Convened a strategic planning retreat to avert dissolution. Increased donor support and improved grant success. Refocused mission and objectives, rewrote bylaws, and restructured board of directors. Served as committee chair for Indiana Theatre Works Conference, 2005, 2006, 2007.

Third Millennium Philanthropy and Leadership Initiative  
Center on Philanthropy, Indianapolis, IN

### **Founding national advisory board member**

**2005-2007**

Philanthropic Studies Alumni Association  
Indiana University, Indianapolis, IN

### **Board member**

**2005-2007**

The Arts Rock! Initiative

Collaborative project of The Central Indiana Community Foundation, Arts Council of Indianapolis, and Indiana University – Purdue University, Indianapolis, IN

### **Project co-creator/coordinator**

**2004-2005**

Worked with community organizations and individuals to create a website and student mailing list to engage college students in local cultural events.

Indianapolis Arts Chorale, Indianapolis, IN

### **Interim executive director**

**2002-2003**

Responsible for fundraising, marketing and promotion, and ticket sales.

Beckmann Theatre, Indianapolis, IN  
**Founding board member and artistic director** **2001-2003**  
Participated in the creation of mission, objective and bylaws.  
Secured start-up grants from Eli Lilly and Co. Foundation and the Arts Council of Indianapolis.

Oakwood Christian Youth Summer Leadership Academy, Syracuse, IN  
**Interim executive director** **2000-2001**  
Created new programming, camp rules and systems.  
Developed marketing strategy and materials.  
Presented leadership workshops to high school students.

Elkhart Civic Theatre, Bristol, IN  
**Board member and fundraising committee member** **2000-2001**

National Speakers Association  
**Chapter liaison for Indiana, Michigan and Ohio** **1994**  
Interviewed national chapter leaders on best practices for chapter development. Created and produced nationally distributed Chapter Liaison Audio Newsletter.

The Fourth Freedom Forum, Goshen, IN  
**Executive director and spokesperson** **1986-1993**  
Responsible for development and oversight of activist organization.  
Spoke nationally promoting international security through trade incentives and sanctions. Planned and facilitated national round table discussions with international experts. Created Inforum newsletter to communicate international security issues to the public. Supervised and hired staff.

#### SPEAKING AND TRAINING EXPERIENCE

The Business of Doing Good  
**Keynote Speaker, Consultant and Trainer** **2007-Present**  
Present programs primarily related to the philanthropic sector and corporate giving.

Marc Hardy & Assoc.  
**Keynote speaker and seminar leader** **1993-2002**  
Presented over 200 motivational speeches on resilience and tenacity.  
Developed and presented nearly 200 seminars on interpersonal communications. Traveled nationally and internationally to speak at association and corporate conferences.

Career Track <b>Trainer</b> Led workshops and seminars on management and customer service.	<b>1994-1998</b>
National Speakers Association <b>President – Indiana Chapter</b>	<b>1991</b>
Toastmaster’s World Championship of Public Speaking <b>Finalist</b>	<b>1991</b>
<u><b>MEDIA EXPERIENCE</b></u>	
WNIT Public Television, Elkhart, IN <b>Co-host, <i>Open Studio</i></b> Conducted live interviews of regional artists, authors and musicians. Served as emcee for 9/11 on-air fundraiser.	<b>2001-2002</b>
WTRC – AM Radio Station, Elkhart, IN <b>Guest host</b> Produced and hosted daily 4 hour morning call-in show.	<b>2001</b>
WFRN – AM Radio Station, Elkhart, IN <b>Host, <i>Good News Michiana</i></b> Produced and hosted daily 4 hour morning talk/music/news show. Conducted live interviews with guest personalities.	<b>1999-2000</b>
National Speaker’s Association <b>Co-host, <i>Voices of Experience</i></b> Produced monthly audio newsletter for national distribution. Conducted interviews with experts on authorship, ethics, and marketing.	<b>1996</b>
Independent PBS documentary series, 2000 Today <b>On-air correspondent</b> Conducted interviews and edited segments on second millennium plans of various nonprofit and governmental organizations.	<b>1992</b>
<b>Freelance voice-over talent</b> Produced and performed in over 500 audio and video voice-overs for commercial and industrial clients.	<b>1986-2002</b>
The Fourth Freedom Forum, Goshen, IN <b>Executive director and spokesperson</b> Granted over 60 television, radio and newspaper interviews.	<b>1986-1993</b>

## PUBLICATIONS

*Corporate Giving*, Giving USA 2011, Center on Philanthropy.

*The Arts and Philanthropy*, briefing paper for the Learning to Give project; Michigan Council on Foundations, 2004.

*Arts Patrons are Created; They Aren't Born that Way*, article for the Indianapolis Business Journal, April 14, 2003.

Authored several articles on human resources management, for numerous publications including Bottom Line Business and Manage Magazine, 1994 – 1999.

Book co-author; *Only the Best on Leadership*, WIN Publications, 1996.

Book co-author; *Only the Best on Customer Service*, WIN Publications, 1996.

## CONFERENCE PRESENTATIONS

Association for Research of the Nonprofit Organizations and Voluntary Action Conference

Cleveland, OH, November, 2010

*The Role of Government in Creating Community Trusts: a Study of How Federal and Indiana State Law*

*Lead to the Creation of the Indianapolis Foundation*

3<sup>rd</sup> Annual Ecumenical Conference

Lviv, Ukraine, October, 2010

Keynote Presentation

*Trust, Responsibility and Philanthropy*

American Humanities/Campus Compact Conference

Indianapolis, January, 2009

*The Coming Boom in the Nonprofit Sector and its Demand for College Graduates*

Region IV National Council on University Research Administrators Conference  
Kansas City, Mo. May, 2008.

*Beginning Before You Begin: Building Relationships with Program Officers  
Teaching Faculty to Fish for Funding*

Benchmark III Conference

Tempe, AZ. March, 2006.

*Historical Perspectives of Philanthropy and the Arts*

*What Does an Interdisciplinary Ph.D. in Philanthropic Studies Mean?"*

Association for Research of the Nonprofit Organizations and Voluntary Action  
Conference

Washington, DC. November, 2005

*Justifying the Arts as a Community Need: The History of Funding of the Arts by the  
Indianapolis Foundation, 1916-2004*

*Aids and Arts Advocacy: a Case History of the Spotlight Event in Indianapolis*

## RESEARCH

History of the Support of Temperance Plays in the 18<sup>th</sup> and 19<sup>th</sup> Centuries

Historiography of Government Support of the Arts in Great Britain in the 20<sup>th</sup> Century

The Relationship Between Arts Censorship and the Accepting of Public Money

The Relationship Between Philanthropy and the Success of Pulitzer Prize Winning  
Playwrights

The History of the Carpenter Science Theatre Company at the Science Museum of  
Virginia

## MEMBERSHIPS

Americans for the Arts

American Fundraising Professionals

Association for Research of the Nonprofit Organizations and Voluntary Action

Indiana Theatre Association

Indiana University Alumni Association; life member